

NYC PASSES SWEEPING FREELANCE WORKER PROTECTION LAW

Dec 16, 2016

Retailers who contract with freelance workers in New York City should be aware of landmark legislation just passed to protect the wages of freelance works, including artists. The law takes effect on May 15, 2017.

The Act, appropriately named “Freelancers Aren’t Free” protects these workers by (1) requiring freelancer contracts to be in writing, (2) requiring timely payment, (3) prohibiting retaliation, and (4) providing specific remedies and damages available to aggrieved freelance workers. The law does not apply to sales representatives, attorneys or licensed medical professionals.

Writing Requirement: Contracts with freelancers for services of \$800 or more (including the amounts for contracts between the same parties in the immediately preceding 120 days) must be in writing. The contract must include the name and address of the hiring party and the freelance worker, an itemization of the services the freelancer will provide and a price schedule for those services, and the date for final payment to the freelancer.

Payment Provision: The hiring party must pay the freelancer on or before the date specified in the contract. If there is no date set in the contract, the law requires the hiring party pay the freelancer no later than 30 days after the completion of the freelancer’s work.

Retaliation: Hiring parties may not threaten, harass, deny an opportunity to or take any action against a freelance worker that deters the freelancer from exercising any right under the Act.

Damage Provisions:

- A plaintiff who proves he or she requested but was denied a written contract before work began is entitled to statutory damages of \$250.
- For a hiring party who violates the written contract requirement plus another section of the statute, the statutory damages will be the value of the underlying contract in addition to damages for the other section(s).

- Plaintiffs who are successful in claims under the payment provision are entitled to double damages; so a freelancer who is contractually entitled to \$1,000 in unpaid fees is automatically entitled to \$2,000 under this section.
- Plaintiffs who are successful in claims under the retaliation provision of the act are entitled to damages in the value of the underlying contract for each instance of retaliation.
- Additionally, a successful plaintiff is entitled to attorney's fees.

Waivers of these statutory rights are void as against public policy: The Act states that the New York City Office of Labor Standards (NYCOLS) will collect data on the effectiveness of these new laws. This data will be invaluable for hiring parties and attorneys alike to see what industries, contract sizes, and Act sections are most frequently violated and whether these claims end up resolving by alternative dispute resolution, enforcement by the NYCOLS, or in court.

MEET THE TEAM



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