



**Coalition to Promote Independent Entrepreneurs
Applauds Introduction of
*Modern Worker Empowerment Act***

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The Coalition to Promote Independent Entrepreneurs applauds Representative Elise Stefanik (R-NY), and her cosponsors, Representatives Bradley Byrne (R-AL) and Phil Roe (R-TN), for introducing the *Modern Worker Empowerment Act*, H.R. 4069.

The *Modern Worker Empowerment Act* will harmonize the definition of “employee” for purposes of federal statutes by conforming the definition of the term for purposes of the Fair Labor Standards Act to the “common-law” definition that applies for purposes of the other New Deal, social welfare, statutes enacted during that era.

The bill also will conform the meaning of term “employee” for purposes of the FLSA to more recent U.S. Supreme Court decisions holding that the term “employee,” when contained in a federal statute that does not define the term, or that defines the term with a definition that is circular, is to be given its common-law meaning.

The “economic realities” test, which is commonly used in defining “employee” status for purposes of the FLSA, is a relic of the past and does not reflect the modern economy. It creates unnecessary uncertainty for individuals who choose to offer their services as independent entrepreneurs.

The Coalition appreciates the leadership of Representatives Stefanik, Byrne, and Roe in introducing this bill to provide independent entrepreneurs with some relief from the risk of their status being determined under different tests for different purposes. At this time more than 10 different tests can apply in determining an individual’s status for purposes of relevant federal and state statutes. By updating the definition of “employee” for purposes of the FLSA, the term will be defined by one uniform common-law definition for purposes of federal statutes.

A harmonized definition of “employee” is helpful to all stakeholders. It provides much needed certainty to independent entrepreneurs and their clients while also enabling government agencies to more efficiently ensure proper worker classification.

We are hopeful that this bill will attract bipartisan support in the Congress and move swiftly toward enactment.