



INTERNATIONAL ASSOCIATION OF
**Heat & Frost Insulators
& Allied Workers**
Local 24
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Maryland House of Delegates
Economic Matter Committee
Chair: C. T. Wilson
Vice Chair: Brian Crosby

TESTIMONY IN SUPPORT OF HB 299
Labor and Employment – Employment Standards and Conditions –
Definition of Employer

Heat and Frost Insulators & Allied Workers Local 24
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Chairman Wilson, Vice Chair Crosby and members of the committee, I respectfully submit this testimony in support of HB299.

Whether a worker is an independent contractor or an employee is an issue of great significance to employers, government agencies, lawyers and worker representatives. Independent contractors are not entitled to the benefits and protection of numerous laws, such as unemployment compensation, workers compensation, anti-discrimination, wage-and-hour, and representation by a union. Independent contractors are also required to pay the entire Social Security tax. Expanding the definition of "employee" by narrowing the test of who is an independent contractor will have a substantial, positive impact on employees who are incorrectly classified as an independent contractor. For that reason, it is immensely important to broaden the criteria used by government agencies and courts when deciding whether a worker is classified as an employee or independent contractor.

Many employers use workers supplied by another employer (e.g., a staffing company) to supplement their regular employees during busy times or as a temp to hire. Often these workers do the same things, have the same supervisors, have the same working conditions and, although paid by the staffing company, have wages significantly affected by the employer's financial arrangement with the staffing company. Under all or some of these facts, are the workers jointly employed by the host employer and the

staffing company? If the host employer is a joint employer with a staffing company, both the host and the supplier will be equally responsible for compliance with laws pertaining to the employees, such as anti-discrimination, wage-and-hour, immigration, safety and the right to be represented by a union. Joint employment is the principle that an individual can have multiple employers, all of which are potentially responsible for ensuring Fair Labor Standards Act compliance. Employers should be required to not only pay similar attention to working conditions for the temporary workers as is paid to regular employees, but to work together with the temporary agency in administering wages, as well as addressing workplace issues. A more expansive definition of joint-employer will mean that avoidance of liability for non-compliance with wage and hour laws (or any of the laws and regulations governing the workplace, for that matter) will be a thing of the past.

We urge a favorable vote on this legislation. Thank you for your time and consideration.

Sincerely and Respectfully,



Brian S Cavey, Business Manager

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