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June 10, 2024

The Honorable Jason Dawkins
Chair
House Labor & Industry Committee
Pennsylvania House of Representatives
150 Main Capitol Building
Harrisburg, PA 17120

RE: Worker Misclassification

Dear Chairman Dawkins and Members of the Committee,

On behalf of TechNet, I'm writing to offer comments on the issue of workforce misclassification in the Commonwealth.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over 4.4 million employees and countless customers in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance. TechNet has offices in Austin, Boston, Chicago, Denver, Harrisburg, Olympia, Sacramento, Silicon Valley, and Washington, D.C.

The modern workforce requires a flexible employment environment that allows workers to find opportunities that match their skills, interests, and availability. TechNet opposes efforts to eliminate or restrict this flexibility, including on the use of independent contractor and consultant classifications. TechNet supports efforts to develop new avenues and safe harbors that empower companies to voluntarily provide new protections and benefits to workers, where appropriate, without impacting classification outcomes.

The composition of the U.S. workforce is changing as new technologies have provided low-barrier access to flexible, independent work. Over time, in large part due to the availability of the gig and sharing economies, the independent workforce has grown to serve as an important source of supplemental earnings for millions of Americans.

Many in the modern, independent workforce find they get better financial returns on their skills than similar groups in the traditional workforce. Perhaps the biggest

benefit to this new workforce is the flexibility that self-employment, independent contracting, and freelancing provide, which allows the independent workforce to balance work, family, and leisure activities differently than in a traditional employment relationship.

Any classification law should protect independent contractor and consultant classifications and avoid inappropriately restrictive standards that would disrupt the work arrangements the independent workforce wants and has today.

In addition, lawmakers are introducing policies to make it easier for independent workers to obtain and fund benefits. Policy solutions need to maintain the flexibility that workers who favor both online and offline independent work need and want, and they should weigh improving access to benefits for independent workers and their families. Because any such benefits must travel with the worker so they can continue to work independently for a variety of companies or individuals, the benefits must be portable.

Importantly, the independent workforce is as varied as the companies with which they engage; consequently, a portable benefits program should not be prescriptive or required. Rather, the program should incentivize companies to provide portable benefits to workers by establishing a safe harbor with respect to the independent contractor status of workers. A company's participation in any program should be voluntary and/or only if appropriate, given the variety of companies that self-employed individuals and independent contractors engage with in various ways.

TechNet understands that there are bad actors in the employment classification space; however, it's clear that gig workers want to maintain their statuses as independent contractors to have the continued flexibility provided to them. The opportunities provided to gig workers are pro-competition and allow for options and choice.

Thank you for the opportunity to provide remarks on the issue of workplace misclassification. Please let me know if you have any questions.

Sincerely,

Margaret Durkin

Margaret Durkin
TechNet Executive Director, Pennsylvania & the Mid-Atlantic