

What is a worker?

Under ORS chapter 656, all persons who qualify as “workers” are entitled to workers’ compensation coverage, unless they fall under a specific exemption.

To qualify as a worker, a person must:

Perform services for remuneration

Be subject to the direction and control of an employer

This definition does not exclude independent contractors.

What is an independent contractor?

The term 'independent contractor' is defined by ORS 670.600.

To qualify as an independent contractor, a person must:

Be free from direction and control over the means and manner of providing services

Be customarily engaged in an independently established business

Have a contracting license when doing work requiring that license

Independent contractors and workers' compensation

ORS chapter 656 doesn't address whether independent contractors are entitled to workers' compensation coverage.

However, independent contractors usually don't qualify as workers, because the two definitions are incompatible.

Worker definition		Independent contractor definition
Subject to direction and control		Free from direction and control
<i>Performs services for remuneration</i>		<i>Engaged in an independently established business</i>
		<i>Has necessary licenses</i>

As a result, independent contractors usually aren't entitled to coverage.

Independent contractors and workers' compensation

A person who isn't a worker won't always qualify as an independent contractor. Even if a person is free from direction and control, they might not satisfy other requirements.

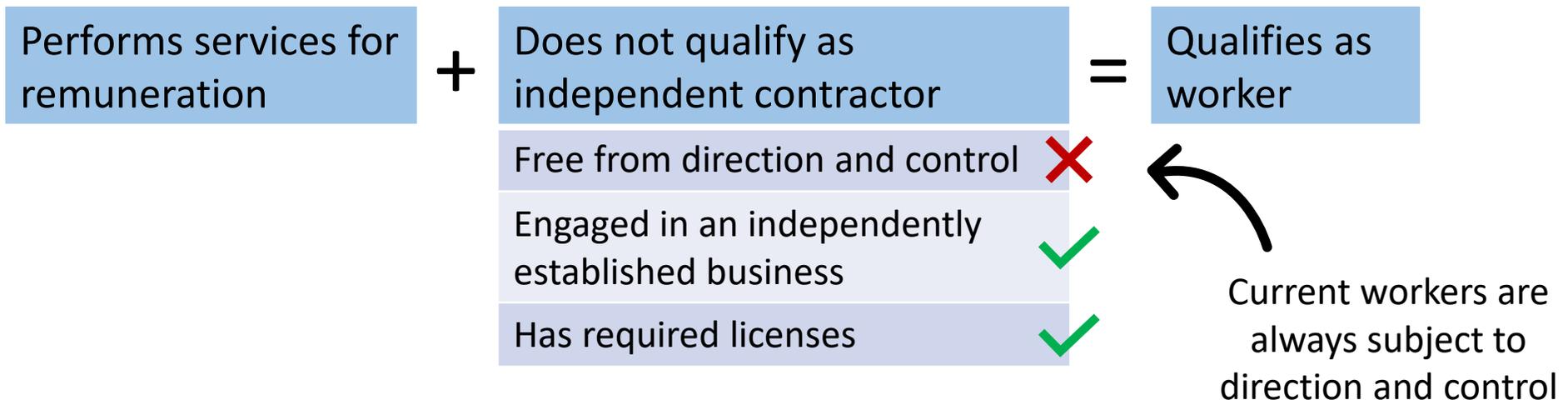
Free from direction and control?	✓
Engaged in an independently established business?	✗
Holds required licenses?	✓

When a person is neither a worker nor an independent contractor, they may be taxed as an employee and eligible for some employment benefits, but they are not entitled to workers' compensation coverage.

LC 3492

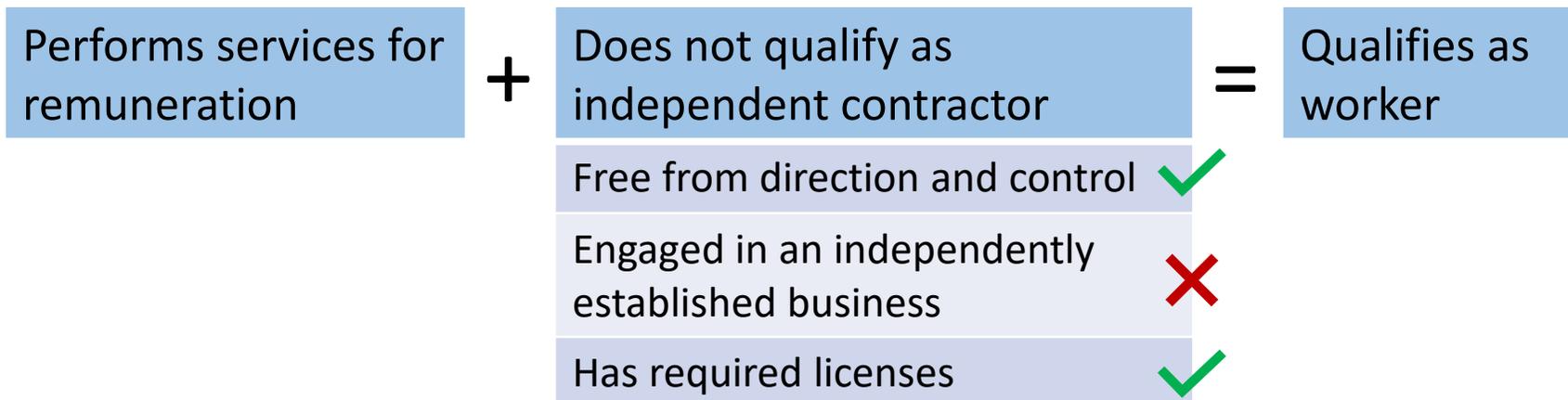
Under LC 3492, a person who performs services for remuneration will always qualify as a worker, unless they qualify as an independent contractor.

Current workers will still be workers under this definition.



LC 3492

People who aren't workers under the current definition, but who also don't qualify as independent contractors, will also become workers under LC 3492.



Questions?