

## **Freelance Worker Protections Ordinance Summary**

The Freelance Worker Protections Ordinance (FWPO) provides protections to freelance workers to help ensure they are treated fairly and compensated in a timely manner.

### **Who is covered as a Freelance Worker?**

A Freelance Worker is any individual or entity composed of no more than one person that is hired by a Hiring Entity to provide services in exchange for compensation. A Freelance Worker has no employees.

### **Who is covered as a Hiring Entity?**

A Hiring Party is regularly engaged in business or commercial activity but does not include entities that hire app-based drivers for transportation or delivery services.

### **What type of work is covered?**

Covered work is performed by a Freelance Worker who is hired by a Hiring Party, by either written or oral contract on or after July 1<sup>st</sup> 2023. The work must be performed in the City of Los Angeles and valued at \$600 or more either by an individual job or cumulative jobs in a calendar year.

### **What protections are provided?**

1. Hiring Parties are required to provide Freelance Workers with a written contract for all agreements valued at \$600 or more, either by itself or combined with previous oral or written agreements between the parties in a calendar year.
2. Hiring Parties are required to provide full payment by the date specified in the written contract, or no later than 30 days after work is completed if no date is specified in the contract.
3. Both parties must retain records for 4 years.
4. Hiring Parties may not punish, penalize, retaliate, or take any adverse employment action against any Freelance Worker for exercising their rights.

### **How does a Freelance Worker report a violation?**

Freelance Workers may file a complaint with the Bureau of Contract Administration, Office of Wage Standards (OWS), or bring a civil action in a court of law to enforce or recover damages for violations. Complaints filed with the OWS must be submitted no later than the one-year anniversary of the alleged violation.

### **How will the Office of Wage Standards process a complaint?**

If the OWS receives a complaint, it will inform the Hiring Party of the alleged complaint and their obligations under the law. The OWS will also request relevant documents from the Hiring Party and provide them to the Freelance Worker, who may choose to file a claim in Court. If the Hiring Party does not provide the requested documents within 20 calendar days, Freelance Workers receive a “rebuttable presumption” in their favor when they file a lawsuit in court. This means the court may presume that the Hiring Party committed the alleged violations in the complaint and the Hiring Party will bear the burden of proving there was no violation.

### **What damages or remedies are available if a Hiring Party violates this law?**

A Freelance Worker that prevails in Court with a claim shall be entitled to all reasonable attorney’s fees and costs, injunctive relief, and other remedies as deemed appropriate by the Court. A judge may also award damages as described below.

1. If a Freelance Worker requested a written contract prior to starting work under the contract and the Hiring Party refused, the Freelance Worker shall be awarded an additional \$250.
2. If the Hiring Party fails to pay the Freelance Worker the amount agreed upon in the contract within the time frame required by this law, the Freelance Worker shall be awarded damages up to twice the amount that remains unpaid.
3. If the Hiring Party violates any other provision of the law, the Freelance Worker shall be awarded damages equal to the value of the contract or the work performed, whichever is greater.