

AFL-CIO

LEGISLATIVE ALERT

July 16, 2025

Dear Senator:

I am writing on behalf of the AFL-CIO to express our strong opposition to the four pieces of legislation being considered by the HELP Committee on Thursday, July 17th. All four bills convey the promise of helping workers access benefits, when they are designed to protect employers from liability when they misclassify their workforce to elide their responsibilities as employers.

- **Unlocking Benefits for Independent Workers Act:** This bill will make it easier for nefarious employers to illegally misclassify their employees as independent contractors by creating a "safe harbor" for private sector employers to provide benefits to workers *without that being a determining factor in their employment status*. It is particularly dangerous because it would apply to all federal statutes, including the FLSA and NLRA, and applies not only to workers who frequently have multiple employers (construction, theatre, etc.), but to **all** workers who receive benefits. By removing one of the criteria to establish an employer-employee relationship, this bill allows employers to misclassify employees as independent contractors who currently do not have the rights of full time employees. This is especially concerning for frequently misclassified employees in the construction and arts industries, who, although supposedly the primary beneficiaries of this bill, will undoubtedly face higher levels of misclassification if it is enacted.
- **Modern Worker Empowerment Act:** This bill makes it easier for employers to classify workers as independent contractors and exclude them from labor protections. The proposed definition of employment focuses on whether an entity actually exercises significant control over the details of the way the work is performed is much narrower than existing definitions in the FLSA and NLRA. This is a giveaway for anti-worker employers who do not want to provide the workplace protections and benefits that employees are guaranteed by law, by making it easier to shirk employer mandates by pretending employees are in fact independent contractors.
- **Independent Retirement Fairness Act:** This bill would allow employers to provide independent contractors with access to pooled employer plans (PEPs) and simplified employee pensions (SEPs) without converting those workers into employees under any federal, state, or local law. Unlike multiemployer-union programs like defined-benefit pension plans, PEPs and SEPs shift the burden of saving for retirement from the employer and do not provide a guaranteed lifetime income, which is crucial for a secure retirement. As many as half of all workers are in jeopardy of retiring in poverty. This legislation does nothing to address that. Pensions remain the strongest vehicles for ensuring workers can retire with dignity and have the lifetime retirement income they need to support themselves.

- **Association Health Plans Act:** This bill will loosen the definition of association health plans (AHPs), opening the door for more plans that evade Affordable Care Act (ACA) requirements to cover essential health benefits and participate in market-wide risk pools. These plans drive up premium costs for everyone else in the pools – including people with ACA marketplace coverage – and they present significant risk for those who are enrolled in AHP coverage. AHPs have a history of poor management and insolvency, and this legislation will expose working families to unexpected costs and uncertain coverage.

For all the reasons above and more, the AFL-CIO strongly urges you to oppose these pieces of legislation. We need policies that empower workers and expand existing programs to ensure that they have access to the benefits they need and deserve.

Sincerely,

A handwritten signature in black ink, appearing to read "Jody Calmine". The signature is fluid and cursive, with the first name "Jody" being more prominent and the last name "Calmine" following in a similar style.

Jody Calmine
Director, Government Affairs