

INDEPENDENT CONTRACTOR EXEMPTION CERTIFICATE (ICEC)

New Law

Effective January 1, 2009, individuals (not corporations, LLCs or partnerships) who work as independent contractors in the building construction industry are required to obtain an Independent Contractor Exemption Certificate (ICEC) from the Department of Labor and Industry (www.doli.state.mn.us/ic).

Individuals doing residential and commercial construction work without an ICEC will be employees of the contractor for whom they are working for purposes of the state workers' compensation, unemployment insurance, wage and hour, and occupational safety and health laws. An ICEC permits individuals to work as independent contractors.

Certificates

To obtain an ICEC, individuals must submit an application, fees and supporting documents that establish they meet the requirements to operate as an independent contractor. Applications are available from the Department of Labor and Industry website. The application and renewal fee for the certificate is \$150. They will need to be renewed every two years.

Penalties

Individuals and contractors who fail to comply are subject to a penalty of up to \$5,000 for each violation. Contractors will be obligated to verify that the workers they enter into agreements as independent contractors have a current ICEC.