

New Protections for Freelancers Statewide Under the New York Freelance Isn't Free Act

Legal Alert
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Originally effective in New York City from May 15, 2017, the New York Freelance Isn't Free Act will now expand its protections to freelance workers across the entire state, effective August 28, 2024. This updated legislation ensures that freelancers throughout New York are granted critical rights, including the right to a written contract, timely and full payment and protection from retaliation.

Who is Covered?

Freelance Workers: Any individual or one-person entity, whether incorporated or using a trade name, hired as an independent contractor to provide services in exchange for compensation. However, the following are excluded:

- Sales representatives as defined in section [191-a of the labor law](#)
- Licensed attorneys practicing law under a contract
- Licensed medical professionals
- Construction contractors involved in construction projects

Hiring Parties: Any person or entity in New York State that engages a freelance worker for services valued over \$800. The following are not considered hiring parties under this law:

- The United States government

Contact

Hillary H. Hughes

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- The State of New York and its departments, agencies, authorities, including the legislature and judiciary
- Municipalities, including any of their offices, departments, agencies or other body of a municipality
- Foreign governments

What Are the Requirements?

Written Contract: If you hire a freelance worker for a project, or multiple projects within a 120-day period, that total \$800 or more, you are required to provide a written contract. This contract must include:

1.
 1. The names and mailing addresses of both the freelance worker and the hiring party
 2. An itemized list of services to be performed
 3. The rate of pay
 4. The payment date
 5. The deadline for the freelancer to submit a list of services rendered to meet any internal processing deadlines for timely payment

The hiring party must keep a copy of this contract for at least six years. Freelancers must be paid according to the terms in the contract, but no later than 30 days after the completion of services. The New York State Department of Labor (DOL) will provide model contracts on its website and offer an administrative process for resolving disputes between freelancers and hiring parties.

No Retaliation: Hiring parties cannot retaliate against freelancers for exercising their rights under the Act. Retaliation includes any actions that punish or discourage freelancers from asserting their rights.

What Are the Penalties for Non-Compliance?

Failure to comply with the Act can result in serious penalties:

- **Violation of Written Contract Requirement:** If a hiring party fails to provide a written contract, they may face statutory damages of \$250. If this violation is accompanied by other breaches of the Act, damages could equal the contract's value.
- **Violation of Payment Practices:** Hiring parties who fail to comply with payment terms may be liable for double damages, injunctive relief and other appropriate remedies.

- **Violation of Retaliation Rules:** Hiring parties found guilty of retaliation may owe damages equal to the value of the contract for each violation.

For severe or repeated violations, hiring parties engaging in a pattern or practice of non-compliance could face penalties up to \$25,000, payable to the state's general fund.

Additional Provisions

- The Commissioner of Labor is responsible for investigating complaints, enforcing the law and providing model contracts for public use. Freelance workers have the right to bring claims to court or file complaints with the Commissioner.
- Freelancers and their representatives will be informed of the investigation process and outcomes, including penalties and enforcement actions.

Need More Information?

If you have questions about how the New York Freelance Isn't Free Act may impact your business or freelance services, please contact [Hillary H. Hughes](#).