CONSTRUCTION LAW WEB POSTING

Public Chapter 1149 (2010) re-writes the workers’ compensation (“WC”) law for people engaged in the construction industry, effective March 1, 2011.

- Subcontractors (“sub”) must carry WC on all their employees, even with just 1 employee, or a part-time employee, or a family member employee whose employment is not casual.

- The obligation of the sub to cover themselves depends on whether the construction project is a residential or commercial job.
  * commercial means working on 5 or more family unit residences or 4 or more stories high
  * all other family unit construction projects are residential

- If the job is a commercial project, the sub must have WC on themselves unless:
  1) the sub is listed on the Secretary of State’s (SoS’s) Registry http://tnbear.tn.gov/wc; and
  2) the sub has a written contract with the general contractor (GC); and
  3) the sub is one of the first 3 subs on the project performing direct labor.

- If the job is residential, the sub must have WC on themselves unless the sub is listed on the SoS’s Registry http://tnbear.tn.gov/wc/

- The GC can have a written agreement to cover a sub on the GC’s WC policy, but the GC must file an I-15 form with the TN Dept. of Labor to prove such an agreement.

- Sub cannot require employees to pay any portion of the WC premium.

- Sub cannot coerce a job applicant or employee to get on the SoS’s Registry.

- A sole proprietor or partner, doing work directly for the property owner, does not have to carry WC on him or her self.

- The initial penalty for failing to have WC when the law requires the sub to carry WC is 1 ½ times the premium or $1,000.00, whichever is greater.

For more information, please email workerscomp.exemptionregistry@tn.gov or contact 615-741-2286.

PH/ps
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