



STATE OF TENNESSEE  
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT  
Division of Workers' Compensation  
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**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](mailto:workerscomp.exemptionregistry@tn.gov) or contact 615-741-2286.