

## Chairwoman Adams, Chairman Scott Applaud Biden Proposal to Strengthen Protections for Workers



**From** Spencer, Sam <Sam.Spencer@mail.house.gov>  
**Cc** Fisk, Chris <Chris.Fisk@mail.house.gov>  
**Date** 2021-03-12 10:03

# Chairwoman Adams, Chairman Scott Applaud Biden Proposal to Strengthen Protections for Workers

**WASHINGTON – Workforce Protections Subcommittee Chairwoman Alma Adams (NC-12) and Chairman Robert C. "Bobby" Scott (VA-03)** released the following statement after the Department of Labor **proposed a withdrawal** of Trump-era rules that would have given companies broad power to misclassify employees as independent contractors and use subcontractors to evade responsibility for upholding workers' rights under the Fair Labor Standards Act.

"Today, the Biden Administration is once again delivering on its promise to stand up for workers and their families," **said Adams and Scott.** "The previous administration's attempt to narrow its interpretation of employee status and joint-employer liability undermined workers' most basic workplace protections, including federal minimum wage and overtime protections.

"The Trump-era rules failed to estimate costs to workers. According to independent estimates, the previous administration's employee status rule would cost workers **more than \$3 billion every year**, and the joint employer rule would cost workers more than **\$1 billion every year.**

"As the Department of Labor noted in today's announcements, these rules conflict with Congressional intent, the text of the *Fair Labor Standards Act*, and decades of judicial precedent – and do not consider the costs to workers.

"By proposing to withdraw the rules, the Biden Administration is putting money back in workers' pockets by preventing employers from denying workers their basic protections under the *Fair Labor Standards Act*. The Biden proposal also defends law-abiding businesses – which are put at a disadvantage by misclassification schemes of competing companies – as well as state and local governments that could lose billions of dollars due to misclassification.

"We applaud the Biden Administration for today's announcement and look forward to working with the Department of Labor to restore its mission to serve the best interests of America's workers."

On June 26, 2019, Chairwoman Adams and Chairman Scott **wrote** a letter to the Trump Administration opposing its proposal to narrow its interpretation of joint-employer liability under the Fair Labor Standards Act of 1938 (FLSA). The Trump Administration finalized this rule in January 2020, and it went into effect on March 16, 2020. In September 2020, a New York federal judge invalidated most of the final rule.

On October 27, 2020, Chairwoman Adams, Chairman Scott, over 100 House Democrats **wrote** a letter to the Trump Administration opposing its proposal to narrow its interpretation of employee status under the Fair Labor Standards Act. In January 2021, the Trump administration finalized the rule and it was set to go into effect March 8, 2021. On March 4, 2021, the Biden Administration delayed the effective date by 60 days to examine whether the rule effectuates the FLSA's purpose and its impact on workers. Today's action would withdraw the rule entirely, maintaining existing protections for workers under the FLSA.

###