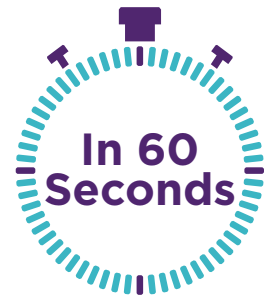


# Independent Women's Voice®

## Portable Benefits



### What's at Stake

As more Americans seek flexible work arrangements, they're choosing options to secure benefits without sacrificing their independent contractor (or 1099) status. Policies that enable a flourishing portable benefits system allow workers to enjoy the best of both worlds. States and the private sector are innovating here, but policy reforms are needed to unleash these benefits for more workers.

Traditional employment arrangements offer workers various types of benefits in exchange for their labor. Employers provide employees with wages or salaries and, typically, additional benefits such as health insurance, family benefits, paid time off, sick days, retirement plans, and disability insurance.

Despite the addition of valuable benefits, this employment model has drawbacks for workers. Because employee benefits are provided through their employer, employees tend to lose access to those perks and essential providers when their employment is terminated. Also, benefits are off-limits to self-employed or independent workers.

### A Better Approach

Voluntary portable benefits offer a path forward and untether access to benefits from traditional employment. Portable benefits are attached to a worker instead of a specific employer. This offers workers the ability to maintain coverage no matter how they choose to work or who pays them.

While there is room for innovation of portable benefits models, approaches that expand the scope and size of government undermine fiscal responsibility and freedom for employers. States should reform their laws to permit portable benefits plans. The plans should be voluntary to provide states and employers the greatest flexibility in determining whether and which benefits to provide to independent contractors in their workforce.

In a world with universal access to portable benefits, a woman moving between employee and self-employed statuses during different phases of her life would not face interruptions in health care. She could also keep and grow every dollar saved for retirement and accumulate the time needed for extended periods out of the workforce to raise kids. Such a flexible benefits model provides independent workers with economic security.

## Addressing Misperceptions

MISPERCEPTIONS	FACTS
<p><b>The federal government is best suited to provide benefits to all.</b></p>	<p>Our nation’s fiscal future is already tenuous due to unfunded entitlement programs. Portable benefits should not become a new entitlement but rather a private, employer-offered option. To avoid increasing government bureaucracy, plans should be administered by the private sector. Taxpayers should not have to shoulder the cost for these benefits, rather portable benefits programs should be funded by contractors and/or employers.</p>
<p><b>Reclassifying independent contractors as employees protects their benefits.</b></p>	<p>California’s <a href="#">Assembly Bill 5</a> (AB5) effectively reclassified nearly all of the state’s freelancers, self-employed professionals, and gig workers as employees. Policymakers thought that those workers would gain access to benefits such as health care, paid leave, overtime, and unemployment benefits. AB5 backfired: Freelancers across the state (in over <a href="#">600 occupations</a>) lost incomes, contracts, gigs, and their livelihoods.</p>
<p><b>Freelancers across the country are in dire need of benefits.</b></p>	<p>The vast majority of independent contractors or gig workers use this work option as a “side hustle.” It isn’t their primary income source but rather supplements earnings from a traditional job so they likely already have access to employer-provided benefits. Independent workers may also self-fund benefits or get coverage through spouses and family members.</p>

To learn more, read [Policy Focus: Portable Benefits](#)