
Hughes Hubbard & Reed

NYC's Freelance Isn't Free Act

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On November 16, 2016, Mayor Bill de Blasio of New York City signed into law the Freelance Isn't Free Act, protecting freelance workers against nonpayment of compensation for services. A "freelance worker" is defined as any person or any organization composed of no more than one person that is hired or retained as an independent contractor to provide services in exchange for compensation. New York City is the first city in the United States to have a law of this kind.

This new NYC law requires written contracts for services of \$800 or more. Such contracts need to include, among other information, the services to be provided by the freelance worker, the value of such services, the rate and method of compensation and the date upon which compensation is due or the method by which such date will be determined. Payment must be made as agreed or within 30 days of the services rendered. Freelancers who are not paid in full, on time, are to receive double damages, as well as injunctive relief if they prevail in court.

Under the new Act, freelancers may file complaints with the City's Office of Labor Standards, which will notify the hiring party of the complaint and seek a response that either provides proof of payment or the reasons for the failure to provide payment. The Office may then inform the freelancer that an action may be brought in court. New York City's corporation counsel also may initiate lawsuits against repeat offenders who have engaged in a pattern or practice of violating the Act, which could result in civil penalties up to \$25,000.

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