

IMPORTANT NOTICE

INDEPENDENT CONTRACTOR EXEMPTION CERTIFICATE (ICEC)

The following is a link to the *FACT Sheet* produced by the Minnesota Department of Labor & Industry (DOLI) answering the question, “**Who may work as an independent contractor in the construction industry?**” http://www.dli.mn.gov/cld/PDF/icec_factsheet.pdf It is very important that you carefully read the FACT Sheet and understand whether or not you need to seek an Independent Contractor Exemption Certificate (ICEC) from DOLI.

The *FACT Sheet* states that “**The ICEC is only required for independent contractor sole proprietorships who subcontract.**” If you are a general contractor that uses the subcontracted services of independent contractor sole proprietors that do not have the ICEC, your workers compensation insurance carrier will charge premium for those individuals at the time of the payroll audit. This could have a significant impact on the amount of premium you pay.

A valid Certificate of Insurance showing that the independent contractor sole proprietor had a workers compensation insurance policy is not considered to be acceptable documentation for premium audit purposes. You will need to secure a copy of the independent contractor sole proprietor’s ICEC, in addition to a valid Certificate of Insurance. However, as it is stated in the *FACT Sheet*, “**To operate as independent contractors, individuals must be able to meet the conditions set out in the law’s nine-factor test.**” Failure to meet this test will result in premium charges leveled on the wages of these statutory employees. View the nine-factor test at <http://www.dli.mn.gov/cld/icec.asp>

PLEASE READ THE *FACT Sheet* VERY CAREFULLY!!