

# WARNING TO CONTRACTORS

## Do you have casual laborers?

**You may be "legal" with the Workers' Compensation Division, *but* are you "legal" with the Construction Contractors' Board?**

If you have only casual laborers, meaning (under Oregon law) that the total gross payroll of all your workers (added together) remains **UNDER \$500**. (\$499. or less) in any 30 day period, the workers compensation law **does not** require you to purchase a workers compensation policy. These workers would be considered to be "casual laborers" under ORS 656.027 and not **subject** to the law requiring you to cover them. However, if you have to register with the Construction Contractors Board, the CCB **will** require you to have coverage under those same circumstances.

This is because the Construction Contractors Board interprets ORS. 656.021 (a workers' compensation statute) differently than the Workers' Compensation Division.

ORS 656.021 states: "**Person performing work under ORS chapter 701 as subject employer.** Notwithstanding ORS 656.029(1), a person who is licensed pursuant to an application under ORS 701.046 and is acting under a contract to perform work described by ORS chapter 701 shall be considered the subject employer for all individuals employed by that person."

The CCB interprets this statute to mean that *anyone* who has any employees who registers with the CCB is a **subject employer** --which is one that is subject to complying with workers' compensation laws by having a workers' compensation policy. This means that **no matter how small your payroll is, if you have to register with the CCB, you will have to buy a workers' compensation policy to comply with their rules.**

The Workers' Compensation Division, however, first determines whether or not an employer has any **subject** workers before they make a determination as to the employer's subjectivity. If the employer has only casual laborers, he or she will not be considered to be a **subject** employer. Therefore, an employer with a total gross payroll of less than \$500 in any 30 day period would not be considered a subject employer because they would not have any subject employees.

This difference in interpretation means that if you are currently registered with the CCB and you have any helpers or employees of any kind, no matter how small your payroll, you'd better have a workers' compensation policy to comply with their requirements. **There could be consequences from the CCB if it finds you without coverage.**

Always keep in mind that just because you are complying with one state agency's requirements, you **might not** be complying with the requirements of all the others.