

**Testimony of Mark MacPherson**  
**Political Organizer, International Brotherhood of Teamsters – Joint Council No. 37**  
**Regarding: Concerns about the Misclassification of Workers as Independent Contractors**

Mr. Chairman and members of the committee, thank you for giving me the opportunity to speak with you today. My name is Mark MacPherson and I am the Political Coordinator for Joint Council of Teamsters No. 37 of the International Brotherhood of Teamsters. Joint Council of Teamsters No. 37 is comprised of nine local unions and approximately 23,000 members in the state of Oregon. I appreciate the opportunity to address our concerns with the misclassification of workers as independent contractors.

Many different parties are affected by this misclassification, with workers and their families being the most significantly and negatively impacted. The other obvious parties affected are the employers who are misclassifying their workers; however, the less evident impact is that on the employers who are properly classifying their employees. The misclassification of workers also has a damaging trickle up effect on our government and state taxes.

Workers who have been misclassified as independent contractors find themselves excluded from national labor laws geared toward protecting employees in the workplace. They are excluded from numerous federal protections under the National Labor Relations Act, the Fair Labor Standards Act, OSHA, discrimination laws, and even the Americans with Disabilities Act. Robbed of protection afforded by the National Labor Relations Act, misclassified employees are denied the opportunity to seek representation of a labor union. Misclassified employees are also barred from state workers' compensation systems, unemployment insurance, and disability benefits.

Employers who misclassify employees can gain up to 30% in savings that otherwise would be directed toward payroll and other employee-related expenses. As a result, employers who play by the rules and properly classify employees are at a competitive disadvantage.

Studies have shown that independent contractors are less likely to report 100% of their earnings than employees. This withholds essential tax revenue dollars from our government.

Joint Council of Teamsters No. 37 encourages Oregon lawmakers to protect the rights of all employees and afford them equal protections under the law, with equal access to state and federal benefits. We support a balanced playing field for all employers to play by the same rules.

We acknowledge that there are true independent contractors who enjoy the freedom that the classification offers and we do not intend to impede those workers' circumstances. We encourage Oregon lawmakers to pass legislation that clearly defines the criteria of what an "independent contractor" is and impose penalties for employers that abuse this classification. Teamsters support Oregon H.B. 2498.