



Independent Women Supports Tennessee's Portable Benefits Legislation

February 25, 2025

Dear Members of the Tennessee House Insurance Subcommittee,

Independent Women is the leading women's organization dedicated to advancing policies that expand people's freedom, opportunity, and well-being. We have over 40,000 members who stand ready to support common-sense solutions, especially for hardworking self-employed women, small business owners, freelancers, and gig workers.

We support **HB 0494/SB 1377** that enacts the "Voluntary Portable Benefit Plan Act." This is a welcomed step to provide the state's independent workforce with access to critical benefits, such as health insurance, unemployment insurance, disability insurance, life insurance, and retirement benefits without losing their flexibility.

Independent contractors are hardworking men and women who choose to work independently rather than, or sometimes alongside, traditional employment. However, companies are legally prohibited from offering workplace benefits to them as they are non-employees. Doing so could trigger reclassification of their status.

This is a women's issue. Nearly half of all freelancers nationwide are women. Many women work independently to balance earning incomes with raising children, caregiving for aging parents, and managing their own health issues. **Nine out of ten** female workers who shifted from full-time employment to independent contract work said they did so to prioritize flexibility over stability.

Some independent contractors can access workplace benefits through their other W-2 jobs or through the employment of their spouses. However, upwards of **40%** of independent workers lack access to any options.

This is a problem we can fix. Tennessee should remove the legal barriers that prevent companies from offering workplace benefits to their independent workforces without triggering reclassification. An overwhelming **80%** of self-employed U.S. workers support creating such portable benefits solutions.

For questions, email states@iww.org.

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Portable benefits is a common-sense, bipartisan solution that states such as Utah and Pennsylvania are enacting to meet the needs of the self-employed, freelancers, and gig workers. Tennessee would show great progress by passing **H.B. 0494/S.B. 1377** to expand portable benefits.

We strongly urge all members of the legislature to pass this bill.

Respectfully,

Patrice Onwuka

Director, Center for Economic Opportunity
Independent Women's Voice

Michelle Parker

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