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# Worker Flexibility and Choice Act

## The Corporate Attempt at Stripping Labor Protections

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As corporate profits reach an all-time high, corporations are looking to cut labor costs at the expense of workers' rights. The Worker Flexibility and Choice Act (HR 8442) is being marketed as a way for employers to encourage "flexibility" and "economic opportunity" for workers in a new economy. However, if passed, the proposed bill would allow the exploitation of every worker,

stripping their rights on the job.

Co-sponsored by House Representatives Henry Cuellar (D-TX), Elise Stefanik (R-NY) and Michelle Steel (R-CA), this bill is an effort to weaken the Fair Labor Standards Act and create a loophole in labor protections for workers.

## HERE IS HOW THE WORKER FLEXIBILITY AND CHOICE ACT WOULD RESTRICT WORKERS' RIGHTS NATIONWIDE:

- **Employers would be free to discard labor protections.** The bill would allow private sector employers to carve out labor protections for any worker after they both sign a "worker flexibility agreement" before a worker starts a job.
- **Workers would likely be forced to sign away their rights.** Although the bill states that these agreements would be voluntary, they would likely become a condition of employment. In practical application, anyone who rejects a "worker flexibility agreement" would likely not be hired for the job.
- **Companies could skirt important labor laws.** Workers who sign a "worker flexibility agreement" would not be considered employees, and companies who employ these workers would not be considered employers. Although the U.S. Department of Labor recently proposed a new rule on classifying delivery drivers and independent contractors as employees, this bill would create a loophole in the Fair Labor Standards Act, overriding the proposed rule.



- **Workers would be locked out of fair wages and crucial benefits.** The new “worker flexibility agreements” would allow employers to pay less than local, state, and federal minimum wage laws. They would also make workers ineligible for overtime compensation, along with employer-paid health care and Social Security benefits.
- **The bill would deepen racial and economic disparities.** The consequences of this measure would disproportionately affect workers earning low wages who are predominately Black and other people of color. This bill would undermine families’ financial stability at a time when many people are still facing hardship from the COVID-19 pandemic and persistent economic inequality. Workers need support to continue a path toward economic recovery—rather than measures to undermine progress or stability.
- **Every U.S. worker could face declining wages and protections, harming their economic security and health.** While this bill is being championed by app platform companies, any private sector company could potentially adopt this model and cut wages and benefits for all workers.
- **Private interests are behind this measure to erode labor rights and regulations.** The Worker Flexibility and Choice Act is spearheaded by The Coalition for Workforce Innovation. This organization is a corporate lobbying firm that aims to pass federal laws and regulations that lock workers across occupations, industries, and work arrangements into “independent contractors” or nonemployee status—stripping them of fundamental labor rights and protections.

## CONCLUSION:

Policymakers should carefully consider the far-reaching consequences of this bill, as it would curtail critical rights for all workers. In so doing, it would weaken the economic security and wellbeing of workers and their families. Simply put, the Worker Flexibility and Choice Act would be detrimental to labor protections, fair wages, and benefits to all workers.

- i Kinder, Molly, Katie Bach, and Laura Stateler. April 2022. “Profits and the pandemic: As shareholder wealth soared, workers were left behind.” Brookings Institution. Available at: [Profits and the pandemic: As shareholder wealth soared, workers were left behind \(brookings.edu\)](https://www.brookings.edu/research/profits-and-the-pandemic-as-shareholder-wealth-soared-workers-were-left-behind/)
- ii Elise Stefanik House Representative Website. July 2022. “Stefanik, Cuellar, Steel Introduce Bipartisan Bill to Expand Worker Flexibility and Choice.” Available at: [Stefanik, Cuellar, Steel Introduce Bipartisan Bill to Expand Worker Flexibility and Choice | Press Releases | Congresswoman Elise Stefanik \(house.gov\)](https://www.house.gov/stefanik/record/2022-07-27/stefanik-cuellar-steel-introduce-bipartisan-bill-to-expand-worker-flexibility-and-choice)
- iii Department of Labor, Wage and Hour Division. 2022-21454.pdf (federalregister.gov) n. “Employee or Independent Contractor Classification Under the Fair Labor Standards Act.” Available at: [2022-21454.pdf \(federalregister.gov\)](https://www.federalregister.gov/documents/2022/07/27/2022-21454-employee-or-independent-contractor-classification-under-the-fair-labor-standards-act)
- iv Op-Ed: Independent Work Is Critical to Economic Recovery,” Coalition for Workforce Innovation, August 20, 2020, available at: [Op-Ed: Independent work is critical to economic recovery \(workforceinnovation.net\)](https://www.workforceinnovation.net/op-ed-independent-work-is-critical-to-economic-recovery/)