



March 19, 2019

ENGROSSED SENATE BILL No. 130

DIGEST OF SB 130 (Updated March 19, 2019 9:13 am - DI 133)

Citations Affected: IC 22-3; IC 22-4.

Synopsis: Unemployment insurance matters. Includes in the definition of "employment", for the purposes of the unemployment compensation system, service performed by a driver who provides drive away operations, if the driver is employed by a state or local government entity, a federally recognized Indiana tribe, or a nonprofit organization. Excludes from the definition of "employment", for purposes of the unemployment compensation system, service performed by a driver who provides drive away operations when: (1) the vehicle being driven is the commodity being delivered; and (2) the driver has entered into an agreement with the party arranging for the transportation that specifies the driver is an independent contractor and not an employee.

Effective: July 1, 2019.

**Doriot, Boots, Glick, Rogers,
Messmer, Walker, Garten, Kruse,
Freeman, Mishler, Spartz, Niezgodski**
(HOUSE SPONSORS — MILLER D, STUTZMAN)

January 3, 2019, read first time and referred to Committee on Pensions and Labor.
January 24, 2019, amended, reported favorably — Do Pass.
January 29, 2019, read second time, amended, ordered engrossed.
January 30, 2019, engrossed.
January 31, 2019, read third time, passed. Yeas 49, nays 0.

HOUSE ACTION

February 26, 2019, read first time and referred to Committee on Employment, Labor and Pensions.
March 19, 2019, reported — Do Pass.

ES 130—LS 6232/DI 128



March 19, 2019

First Regular Session of the 121st General Assembly (2019)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2018 Regular and Special Session of the General Assembly.

ENGROSSED SENATE BILL No. 130

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 22-3-6-1, AS AMENDED BY P.L.204-2018,
2 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2019]: Sec. 1. In IC 22-3-2 through IC 22-3-6, unless the
4 context otherwise requires:
5 (a) "Employer" includes the state and any political subdivision, any
6 municipal corporation within the state, any individual or the legal
7 representative of a deceased individual, firm, association, limited
8 liability company, limited liability partnership, or corporation or the
9 receiver or trustee of the same, using the services of another for pay. A
10 corporation, limited liability company, or limited liability partnership
11 that controls the activities of another corporation, limited liability
12 company, or limited liability partnership, or a corporation and a limited
13 liability company or a corporation and a limited liability partnership
14 that are commonly owned entities, or the controlled corporation,
15 limited liability company, limited liability partnership, or commonly
16 owned entities, and a parent corporation and its subsidiaries shall each
17 be considered joint employers of the corporation's, the controlled

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1 corporation's, the limited liability company's, the limited liability
2 partnership's, the commonly owned entities', the parent's, or the
3 subsidiaries' employees for purposes of IC 22-3-2-6 and IC 22-3-3-31.
4 Both a lessor and a lessee of employees shall each be considered joint
5 employers of the employees provided by the lessor to the lessee for
6 purposes of IC 22-3-2-6 and IC 22-3-3-31. If the employer is insured,
7 the term includes the employer's insurer so far as applicable. However,
8 the inclusion of an employer's insurer within this definition does not
9 allow an employer's insurer to avoid payment for services rendered to
10 an employee with the approval of the employer. The term also includes
11 an employer that provides on-the-job training under the federal School
12 to Work Opportunities Act (20 U.S.C. 6101 et seq.) to the extent set
13 forth in IC 22-3-2-2.5. The term does not include a nonprofit
14 corporation that is recognized as tax exempt under Section 501(c)(3)
15 of the Internal Revenue Code (as defined in IC 6-3-1-11(a)) to the
16 extent the corporation enters into an independent contractor agreement
17 with a person for the performance of youth coaching services on a
18 part-time basis.

19 (b) "Employee" means every person, including a minor, in the
20 service of another, under any contract of hire or apprenticeship, written
21 or implied, except one whose employment is both casual and not in the
22 usual course of the trade, business, occupation, or profession of the
23 employer.

24 (1) An executive officer elected or appointed and empowered in
25 accordance with the charter and bylaws of a corporation, other
26 than a municipal corporation or governmental subdivision or a
27 charitable, religious, educational, or other nonprofit corporation,
28 is an employee of the corporation under IC 22-3-2 through
29 IC 22-3-6. An officer of a corporation who is an employee of the
30 corporation under IC 22-3-2 through IC 22-3-6 may elect not to
31 be an employee of the corporation under IC 22-3-2 through
32 IC 22-3-6. An officer of a corporation who is also an owner of any
33 interest in the corporation may elect not to be an employee of the
34 corporation under IC 22-3-2 through IC 22-3-6. If an officer
35 makes this election, the officer must serve written notice of the
36 election on the corporation's insurance carrier and the board. An
37 officer of a corporation may not be considered to be excluded as
38 an employee under IC 22-3-2 through IC 22-3-6 until the notice
39 is received by the insurance carrier and the board.

40 (2) An executive officer of a municipal corporation or other
41 governmental subdivision or of a charitable, religious,
42 educational, or other nonprofit corporation may, notwithstanding



1 any other provision of IC 22-3-2 through IC 22-3-6, be brought
2 within the coverage of its insurance contract by the corporation by
3 specifically including the executive officer in the contract of
4 insurance. The election to bring the executive officer within the
5 coverage shall continue for the period the contract of insurance is
6 in effect, and during this period, the executive officers thus
7 brought within the coverage of the insurance contract are
8 employees of the corporation under IC 22-3-2 through IC 22-3-6.

9 (3) Any reference to an employee who has been injured, when the
10 employee is dead, also includes the employee's legal
11 representatives, dependents, and other persons to whom
12 compensation may be payable.

13 (4) An owner of a sole proprietorship may elect to include the
14 owner as an employee under IC 22-3-2 through IC 22-3-6 if the
15 owner is actually engaged in the proprietorship business. If the
16 owner makes this election, the owner must serve upon the owner's
17 insurance carrier and upon the board written notice of the
18 election. No owner of a sole proprietorship may be considered an
19 employee under IC 22-3-2 through IC 22-3-6 until the notice has
20 been received. If the owner of a sole proprietorship:

21 (A) is an independent contractor in the construction trades and
22 does not make the election provided under this subdivision,
23 the owner must obtain a certificate of exemption under
24 IC 22-3-2-14.5; or

25 (B) is an independent contractor and does not make the
26 election provided under this subdivision, the owner may obtain
27 a certificate of exemption under IC 22-3-2-14.5.

28 (5) A partner in a partnership may elect to include the partner as
29 an employee under IC 22-3-2 through IC 22-3-6 if the partner is
30 actually engaged in the partnership business. If a partner makes
31 this election, the partner must serve upon the partner's insurance
32 carrier and upon the board written notice of the election. No
33 partner may be considered an employee under IC 22-3-2 through
34 IC 22-3-6 until the notice has been received. If a partner in a
35 partnership:

36 (A) is an independent contractor in the construction trades and
37 does not make the election provided under this subdivision,
38 the partner must obtain a certificate of exemption under
39 IC 22-3-2-14.5; or

40 (B) is an independent contractor and does not make the
41 election provided under this subdivision, the partner may
42 obtain a certificate of exemption under IC 22-3-2-14.5.



- 1 (6) Real estate professionals are not employees under IC 22-3-2
2 through IC 22-3-6 if:
3 (A) they are licensed real estate agents;
4 (B) substantially all their remuneration is directly related to
5 sales volume and not the number of hours worked; and
6 (C) they have written agreements with real estate brokers
7 stating that they are not to be treated as employees for tax
8 purposes.
- 9 (7) A person is an independent contractor and not an employee
10 under IC 22-3-2 through IC 22-3-6 if the person is an independent
11 contractor under the guidelines of the United States Internal
12 Revenue Service.
- 13 (8) An owner-operator that provides a motor vehicle and the
14 services of a driver under a written contract that is subject to
15 IC 8-2.1-24-23, 45 IAC 16-1-13, or 49 CFR 376 to a motor carrier
16 is not an employee of the motor carrier for purposes of IC 22-3-2
17 through IC 22-3-6. The owner-operator may elect to be covered
18 and have the owner-operator's drivers covered under a worker's
19 compensation insurance policy or authorized self-insurance that
20 insures the motor carrier if the owner-operator pays the premiums
21 as requested by the motor carrier. An election by an
22 owner-operator under this subdivision does not terminate the
23 independent contractor status of the owner-operator for any
24 purpose other than the purpose of this subdivision.
- 25 (9) A member or manager in a limited liability company may elect
26 to include the member or manager as an employee under
27 IC 22-3-2 through IC 22-3-6 if the member or manager is actually
28 engaged in the limited liability company business. If a member or
29 manager makes this election, the member or manager must serve
30 upon the member's or manager's insurance carrier and upon the
31 board written notice of the election. A member or manager may
32 not be considered an employee under IC 22-3-2 through IC 22-3-6
33 until the notice has been received.
- 34 (10) An unpaid participant under the federal School to Work
35 Opportunities Act (20 U.S.C. 6101 et seq.) is an employee to the
36 extent set forth in IC 22-3-2-2.5.
- 37 (11) A person who enters into an independent contractor
38 agreement with a nonprofit corporation that is recognized as tax
39 exempt under Section 501(c)(3) of the Internal Revenue Code (as
40 defined in IC 6-3-1-11(a)) to perform youth coaching services on
41 a part-time basis is not an employee for purposes of IC 22-3-2
42 through IC 22-3-6.



1 (12) An individual who is not an employee of the state or a
 2 political subdivision is considered to be a temporary employee of
 3 the state for purposes of IC 22-3-2 through IC 22-3-6 while
 4 serving as a member of a mobile support unit on duty for training,
 5 an exercise, or a response, as set forth in IC 10-14-3-19(c)(2)(B).

6 **(13) A driver providing drive away operations is an
 7 independent contractor and not an employee when:**

8 **(A) the vehicle being driven is the commodity being
 9 delivered; and**

10 **(B) the driver has entered into an agreement with the party
 11 arranging for the transportation that specifies the driver
 12 is an independent contractor and not an employee.**

13 (c) "Minor" means an individual who has not reached seventeen
 14 (17) years of age.

15 (1) Unless otherwise provided in this subsection, a minor
 16 employee shall be considered as being of full age for all purposes
 17 of IC 22-3-2 through IC 22-3-6.

18 (2) If the employee is a minor who, at the time of the accident, is
 19 employed, required, suffered, or permitted to work in violation of
 20 IC 20-33-3-35, the amount of compensation and death benefits,
 21 as provided in IC 22-3-2 through IC 22-3-6, shall be double the
 22 amount which would otherwise be recoverable. The insurance
 23 carrier shall be liable on its policy for one-half (1/2) of the
 24 compensation or benefits that may be payable on account of the
 25 injury or death of the minor, and the employer shall be liable for
 26 the other one-half (1/2) of the compensation or benefits. If the
 27 employee is a minor who is not less than sixteen (16) years of age
 28 and who has not reached seventeen (17) years of age and who at
 29 the time of the accident is employed, suffered, or permitted to
 30 work at any occupation which is not prohibited by law, this
 31 subdivision does not apply.

32 (3) A minor employee who, at the time of the accident, is a
 33 student performing services for an employer as part of an
 34 approved program under IC 20-37-2-7 shall be considered a
 35 full-time employee for the purpose of computing compensation
 36 for permanent impairment under IC 22-3-3-10. The average
 37 weekly wages for such a student shall be calculated as provided
 38 in subsection (d)(4).

39 (4) The rights and remedies granted in this subsection to a minor
 40 under IC 22-3-2 through IC 22-3-6 on account of personal injury
 41 or death by accident shall exclude all rights and remedies of the
 42 minor, the minor's parents, or the minor's personal



1 representatives, dependents, or next of kin at common law,
 2 statutory or otherwise, on account of the injury or death. This
 3 subsection does not apply to minors who have reached seventeen
 4 (17) years of age.

5 (d) "Average weekly wages" means the earnings of the injured
 6 employee in the employment in which the employee was working at the
 7 time of the injury during the period of fifty-two (52) weeks
 8 immediately preceding the date of injury, divided by fifty-two (52),
 9 except as follows:

10 (1) If the injured employee lost seven (7) or more calendar days
 11 during this period, although not in the same week, then the
 12 earnings for the remainder of the fifty-two (52) weeks shall be
 13 divided by the number of weeks and parts thereof remaining after
 14 the time lost has been deducted.

15 (2) Where the employment prior to the injury extended over a
 16 period of less than fifty-two (52) weeks, the method of dividing
 17 the earnings during that period by the number of weeks and parts
 18 thereof during which the employee earned wages shall be
 19 followed, if results just and fair to both parties will be obtained.
 20 Where by reason of the shortness of the time during which the
 21 employee has been in the employment of the employee's employer
 22 or of the casual nature or terms of the employment it is
 23 impracticable to compute the average weekly wages, as defined
 24 in this subsection, regard shall be had to the average weekly
 25 amount which during the fifty-two (52) weeks previous to the
 26 injury was being earned by a person in the same grade employed
 27 at the same work by the same employer or, if there is no person so
 28 employed, by a person in the same grade employed in the same
 29 class of employment in the same district.

30 (3) Wherever allowances of any character made to an employee
 31 in lieu of wages are a specified part of the wage contract, they
 32 shall be deemed a part of the employee's earnings.

33 (4) In computing the average weekly wages to be used in
 34 calculating an award for permanent impairment under
 35 IC 22-3-3-10 for a student employee in an approved training
 36 program under IC 20-37-2-7, the following formula shall be used.
 37 Calculate the product of:

38 (A) the student employee's hourly wage rate; multiplied by

39 (B) forty (40) hours.

40 The result obtained is the amount of the average weekly wages for
 41 the student employee.

42 (e) "Injury" and "personal injury" mean only injury by accident



1 arising out of and in the course of the employment and do not include
2 a disease in any form except as it results from the injury.

3 (f) "Billing review service" refers to a person or an entity that
4 reviews a medical service provider's bills or statements for the purpose
5 of determining pecuniary liability. The term includes an employer's
6 worker's compensation insurance carrier if the insurance carrier
7 performs such a review.

8 (g) "Billing review standard" means the data used by a billing
9 review service to determine pecuniary liability.

10 (h) "Community" means a geographic service area based on ZIP
11 code districts defined by the United States Postal Service according to
12 the following groupings:

13 (1) The geographic service area served by ZIP codes with the first
14 three (3) digits 463 and 464.

15 (2) The geographic service area served by ZIP codes with the first
16 three (3) digits 465 and 466.

17 (3) The geographic service area served by ZIP codes with the first
18 three (3) digits 467 and 468.

19 (4) The geographic service area served by ZIP codes with the first
20 three (3) digits 469 and 479.

21 (5) The geographic service area served by ZIP codes with the first
22 three (3) digits 460, 461 (except 46107), and 473.

23 (6) The geographic service area served by the 46107 ZIP code and
24 ZIP codes with the first three (3) digits 462.

25 (7) The geographic service area served by ZIP codes with the first
26 three (3) digits 470, 471, 472, 474, and 478.

27 (8) The geographic service area served by ZIP codes with the first
28 three (3) digits 475, 476, and 477.

29 (i) "Medical service provider" refers to a person or an entity that
30 provides services or products to an employee under IC 22-3-2 through
31 IC 22-3-6. Except as otherwise provided in IC 22-3-2 through
32 IC 22-3-6, the term includes a medical service facility.

33 (j) "Medical service facility" means any of the following that
34 provides a service or product under IC 22-3-2 through IC 22-3-6 and
35 uses the CMS 1450 (UB-04) form for Medicare reimbursement:

36 (1) A hospital (as defined in IC 16-18-2-179).

37 (2) A hospital based health facility (as defined in
38 IC 16-18-2-180).

39 (3) A medical center (as defined in IC 16-18-2-223.4).

40 The term does not include a professional corporation (as defined in
41 IC 23-1.5-1-10) comprised of health care professionals (as defined in
42 IC 23-1.5-1-8) formed to render professional services as set forth in



1 IC 23-1.5-2-3(a)(4) or a health care professional (as defined in
 2 IC 23-1.5-1-8) who bills for a service or product provided under
 3 IC 22-3-2 through IC 22-3-6 as an individual or a member of a group
 4 practice or another medical service provider that uses the CMS 1500
 5 form for Medicare reimbursement.

6 (k) "Pecuniary liability" means the responsibility of an employer or
 7 the employer's insurance carrier for the payment of the charges for each
 8 specific service or product for human medical treatment provided
 9 under IC 22-3-2 through IC 22-3-6, as follows:

10 (1) This subdivision applies before July 1, 2014, to all medical
 11 service providers, and after June 30, 2014, to a medical service
 12 provider that is not a medical service facility. Payment of the
 13 charges in a defined community, equal to or less than the charges
 14 made by medical service providers at the eightieth percentile in
 15 the same community for like services or products.

16 (2) Payment of the charges in a reasonable amount, which is
 17 established by payment of one (1) of the following:

18 (A) The amount negotiated at any time between the medical
 19 service facility and any of the following, if an amount has been
 20 negotiated:

21 (i) The employer.

22 (ii) The employer's insurance carrier.

23 (iii) A billing review service on behalf of a person described
 24 in item (i) or (ii).

25 (iv) A direct provider network that has contracted with a
 26 person described in item (i) or (ii).

27 (B) Two hundred percent (200%) of the amount that would be
 28 paid to the medical service facility on the same date for the
 29 same service or product under the medical service facility's
 30 Medicare reimbursement rate, if an amount has not been
 31 negotiated as described in clause (A).

32 (l) "Service or product" or "services and products" refers to medical,
 33 hospital, surgical, or nursing service, treatment, and supplies provided
 34 under IC 22-3-2 through IC 22-3-6.

35 SECTION 2. IC 22-4-8-3.6 IS ADDED TO THE INDIANA CODE
 36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 37 1, 2019]: **Sec. 3.6. (a) As used in this section, "drive away" has the
 38 meaning set forth in IC 9-20-9-1.**

39 **(b) Except as provided in subsection (c), as used in this article,
 40 "employment" includes service performed by a driver who
 41 provides drive away operations when the services are being
 42 performed by an individual who is in the employ of a state or local**



1 **government entity or federally recognized Indian tribe as defined**
2 **in Section 3306(c)(7) of the Federal Unemployment Tax Act (26**
3 **U.S.C. 3306(c)(7)) or a nonprofit organization as defined in Section**
4 **3306(c)(8) of the Federal Unemployment Tax Act (26 U.S.C.**
5 **3306(c)(8)).**

6 **(c) As used in this article, "employment" does not include**
7 **service performed by a driver who provides drive away operations**
8 **when:**

- 9 **(1) the vehicle being driven is the commodity being delivered;**
10 **and**
11 **(2) the driver has entered into an agreement with the party**
12 **arranging for the transportation that specifies the driver is an**
13 **independent contractor and not an employee.**



COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 130, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between lines 4 and 5, begin a new paragraph and insert:

"(b) Except as provided in subsection (c), as used in this article, "employment" includes service performed by a driver who provides drive away operations when the services are being performed by an individual who is in the employ of a state or local government entity or federally recognized Indian tribe as defined in Section 3306(c)(7) of the Federal Unemployment Tax Act (26 U.S.C. 3306(c)(7)) or a nonprofit organization as defined in Section 3306(c)(8) of the Federal Unemployment Tax Act (26 U.S.C. 3306(c)(8))."

Page 1, line 5, delete "(b)" and insert "(c)".

and when so amended that said bill do pass.

(Reference is to SB 130 as introduced.)

BOOTS, Chairperson

Committee Vote: Yeas 11, Nays 0.

 SENATE MOTION

Madam President: I move that Senate Bill 130 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 22-3-6-1, AS AMENDED BY P.L.204-2018, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 1. In IC 22-3-2 through IC 22-3-6, unless the context otherwise requires:

(a) "Employer" includes the state and any political subdivision, any municipal corporation within the state, any individual or the legal representative of a deceased individual, firm, association, limited liability company, limited liability partnership, or corporation or the receiver or trustee of the same, using the services of another for pay. A corporation, limited liability company, or limited liability partnership

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that controls the activities of another corporation, limited liability company, or limited liability partnership, or a corporation and a limited liability company or a corporation and a limited liability partnership that are commonly owned entities, or the controlled corporation, limited liability company, limited liability partnership, or commonly owned entities, and a parent corporation and its subsidiaries shall each be considered joint employers of the corporation's, the controlled corporation's, the limited liability company's, the limited liability partnership's, the commonly owned entities', the parent's, or the subsidiaries' employees for purposes of IC 22-3-2-6 and IC 22-3-3-31. Both a lessor and a lessee of employees shall each be considered joint employers of the employees provided by the lessor to the lessee for purposes of IC 22-3-2-6 and IC 22-3-3-31. If the employer is insured, the term includes the employer's insurer so far as applicable. However, the inclusion of an employer's insurer within this definition does not allow an employer's insurer to avoid payment for services rendered to an employee with the approval of the employer. The term also includes an employer that provides on-the-job training under the federal School to Work Opportunities Act (20 U.S.C. 6101 et seq.) to the extent set forth in IC 22-3-2-2.5. The term does not include a nonprofit corporation that is recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code (as defined in IC 6-3-1-11(a)) to the extent the corporation enters into an independent contractor agreement with a person for the performance of youth coaching services on a part-time basis.

(b) "Employee" means every person, including a minor, in THE service of another, under any contract of hire or apprenticeship, written or implied, except one whose employment is both casual and not in the usual course of the trade, business, occupation, or profession of the employer.

(1) An executive officer elected or appointed and empowered in accordance with the charter and bylaws of a corporation, other than a municipal corporation or governmental subdivision or a charitable, religious, educational, or other nonprofit corporation, is an employee of the corporation under IC 22-3-2 through IC 22-3-6. An officer of a corporation who is an employee of the corporation under IC 22-3-2 through IC 22-3-6 may elect not to be an employee of the corporation under IC 22-3-2 through IC 22-3-6. An officer of a corporation who is also an owner of any interest in the corporation may elect not to be an employee of the corporation under IC 22-3-2 through IC 22-3-6. If an officer makes this election, the officer must serve written notice of the



election on the corporation's insurance carrier and the board. An officer of a corporation may not be considered to be excluded as an employee under IC 22-3-2 through IC 22-3-6 until the notice is received by the insurance carrier and the board.

(2) An executive officer of a municipal corporation or other governmental subdivision or of a charitable, religious, educational, or other nonprofit corporation may, notwithstanding any other provision of IC 22-3-2 through IC 22-3-6, be brought within the coverage of its insurance contract by the corporation by specifically including the executive officer in the contract of insurance. The election to bring the executive officer within the coverage shall continue for the period the contract of insurance is in effect, and during this period, the executive officers thus brought within the coverage of the insurance contract are employees of the corporation under IC 22-3-2 through IC 22-3-6.

(3) Any reference to an employee who has been injured, when the employee is dead, also includes the employee's legal representatives, dependents, and other persons to whom compensation may be payable.

(4) An owner of a sole proprietorship may elect to include the owner as an employee under IC 22-3-2 through IC 22-3-6 if the owner is actually engaged in the proprietorship business. If the owner makes this election, the owner must serve upon the owner's insurance carrier and upon the board written notice of the election. No owner of a sole proprietorship may be considered an employee under IC 22-3-2 through IC 22-3-6 until the notice has been received. If the owner of a sole proprietorship:

(A) is an independent contractor in the construction trades and does not make the election provided under this subdivision, the owner must obtain a certificate of exemption under IC 22-3-2-14.5; or

(B) is an independent contractor and does not make the election provided under this subdivision, the owner may obtain a certificate of exemption under IC 22-3-2-14.5.

(5) A partner in a partnership may elect to include the partner as an employee under IC 22-3-2 through IC 22-3-6 if the partner is actually engaged in the partnership business. If a partner makes this election, the partner must serve upon the partner's insurance carrier and upon the board written notice of the election. No partner may be considered an employee under IC 22-3-2 through IC 22-3-6 until the notice has been received. If a partner in a partnership:



- (A) is an independent contractor in the construction trades and does not make the election provided under this subdivision, the partner must obtain a certificate of exemption under IC 22-3-2-14.5; or
 - (B) is an independent contractor and does not make the election provided under this subdivision, the partner may obtain a certificate of exemption under IC 22-3-2-14.5.
- (6) Real estate professionals are not employees under IC 22-3-2 through IC 22-3-6 if:
- (A) they are licensed real estate agents;
 - (B) substantially all their remuneration is directly related to sales volume and not the number of hours worked; and
 - (C) they have written agreements with real estate brokers stating that they are not to be treated as employees for tax purposes.
- (7) A person is an independent contractor and not an employee under IC 22-3-2 through IC 22-3-6 if the person is an independent contractor under the guidelines of the United States Internal Revenue Service.
- (8) An owner-operator that provides a motor vehicle and the services of a driver under a written contract that is subject to IC 8-2.1-24-23, 45 IAC 16-1-13, or 49 CFR 376 to a motor carrier is not an employee of the motor carrier for purposes of IC 22-3-2 through IC 22-3-6. The owner-operator may elect to be covered and have the owner-operator's drivers covered under a worker's compensation insurance policy or authorized self-insurance that insures the motor carrier if the owner-operator pays the premiums as requested by the motor carrier. An election by an owner-operator under this subdivision does not terminate the independent contractor status of the owner-operator for any purpose other than the purpose of this subdivision.
- (9) A member or manager in a limited liability company may elect to include the member or manager as an employee under IC 22-3-2 through IC 22-3-6 if the member or manager is actually engaged in the limited liability company business. If a member or manager makes this election, the member or manager must serve upon the member's or manager's insurance carrier and upon the board written notice of the election. A member or manager may not be considered an employee under IC 22-3-2 through IC 22-3-6 until the notice has been received.
- (10) An unpaid participant under the federal School to Work Opportunities Act (20 U.S.C. 6101 et seq.) is an employee to the



extent set forth in IC 22-3-2-2.5.

(11) A person who enters into an independent contractor agreement with a nonprofit corporation that is recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code (as defined in IC 6-3-1-11(a)) to perform youth coaching services on a part-time basis is not an employee for purposes of IC 22-3-2 through IC 22-3-6.

(12) An individual who is not an employee of the state or a political subdivision is considered to be a temporary employee of the state for purposes of IC 22-3-2 through IC 22-3-6 while serving as a member of a mobile support unit on duty for training, an exercise, or a response, as set forth in IC 10-14-3-19(c)(2)(B).

(13) A driver providing drive away operations is an independent contractor and not an employee when:

(A) the vehicle being driven is the commodity being delivered; and

(B) the driver has entered into an agreement with the party arranging for the transportation that specifies the driver is an independent contractor and not an employee.

(c) "Minor" means an individual who has not reached seventeen (17) years of age.

(1) Unless otherwise provided in this subsection, a minor employee shall be considered as being of full age for all purposes of IC 22-3-2 through IC 22-3-6.

(2) If the employee is a minor who, at the time of the accident, is employed, required, suffered, or permitted to work in violation of IC 20-33-3-35, the amount of compensation and death benefits, as provided in IC 22-3-2 through IC 22-3-6, shall be double the amount which would otherwise be recoverable. The insurance carrier shall be liable on its policy for one-half (1/2) of the compensation or benefits that may be payable on account of the injury or death of the minor, and the employer shall be liable for the other one-half (1/2) of the compensation or benefits. If the employee is a minor who is not less than sixteen (16) years of age and who has not reached seventeen (17) years of age and who at the time of the accident is employed, suffered, or permitted to work at any occupation which is not prohibited by law, this subdivision does not apply.

(3) A minor employee who, at the time of the accident, is a student performing services for an employer as part of an approved program under IC 20-37-2-7 shall be considered a full-time employee for the purpose of computing compensation



for permanent impairment under IC 22-3-3-10. The average weekly wages for such a student shall be calculated as provided in subsection (d)(4).

(4) The rights and remedies granted in this subsection to a minor under IC 22-3-2 through IC 22-3-6 on account of personal injury or death by accident shall exclude all rights and remedies of the minor, the minor's parents, or the minor's personal representatives, dependents, or next of kin at common law, statutory or otherwise, on account of the injury or death. This subsection does not apply to minors who have reached seventeen (17) years of age.

(d) "Average weekly wages" means the earnings of the injured employee in the employment in which the employee was working at the time of the injury during the period of fifty-two (52) weeks immediately preceding the date of injury, divided by fifty-two (52), except as follows:

(1) If the injured employee lost seven (7) or more calendar days during this period, although not in the same week, then the earnings for the remainder of the fifty-two (52) weeks shall be divided by the number of weeks and parts thereof remaining after the time lost has been deducted.

(2) Where the employment prior to the injury extended over a period of less than fifty-two (52) weeks, the method of dividing the earnings during that period by the number of weeks and parts thereof during which the employee earned wages shall be followed, if results just and fair to both parties will be obtained. Where by reason of the shortness of the time during which the employee has been in the employment of the employee's employer or of the casual nature or terms of the employment it is impracticable to compute the average weekly wages, as defined in this subsection, regard shall be had to the average weekly amount which during the fifty-two (52) weeks previous to the injury was being earned by a person in the same grade employed at the same work by the same employer or, if there is no person so employed, by a person in the same grade employed in the same class of employment in the same district.

(3) Wherever allowances of any character made to an employee in lieu of wages are a specified part of the wage contract, they shall be deemed a part of the employee's earnings.

(4) In computing the average weekly wages to be used in calculating an award for permanent impairment under IC 22-3-3-10 for a student employee in an approved training



program under IC 20-37-2-7, the following formula shall be used.
Calculate the product of:

- (A) the student employee's hourly wage rate; multiplied by
- (B) forty (40) hours.

The result obtained is the amount of the average weekly wages for the student employee.

(e) "Injury" and "personal injury" mean only injury by accident arising out of and in the course of the employment and do not include a disease in any form except as it results from the injury.

(f) "Billing review service" refers to a person or an entity that reviews a medical service provider's bills or statements for the purpose of determining pecuniary liability. The term includes an employer's worker's compensation insurance carrier if the insurance carrier performs such a review.

(g) "Billing review standard" means the data used by a billing review service to determine pecuniary liability.

(h) "Community" means a geographic service area based on ZIP code districts defined by the United States Postal Service according to the following groupings:

- (1) The geographic service area served by ZIP codes with the first three (3) digits 463 and 464.
- (2) The geographic service area served by ZIP codes with the first three (3) digits 465 and 466.
- (3) The geographic service area served by ZIP codes with the first three (3) digits 467 and 468.
- (4) The geographic service area served by ZIP codes with the first three (3) digits 469 and 479.
- (5) The geographic service area served by ZIP codes with the first three (3) digits 460, 461 (except 46107), and 473.
- (6) The geographic service area served by the 46107 ZIP code and ZIP codes with the first three (3) digits 462.
- (7) The geographic service area served by ZIP codes with the first three (3) digits 470, 471, 472, 474, and 478.
- (8) The geographic service area served by ZIP codes with the first three (3) digits 475, 476, and 477.

(i) "Medical service provider" refers to a person or an entity that provides services or products to an employee under IC 22-3-2 through IC 22-3-6. Except as otherwise provided in IC 22-3-2 through IC 22-3-6, the term includes a medical service facility.

(j) "Medical service facility" means any of the following that provides a service or product under IC 22-3-2 through IC 22-3-6 and uses the CMS 1450 (UB-04) form for Medicare reimbursement:



- (1) A hospital (as defined in IC 16-18-2-179).
- (2) A hospital based health facility (as defined in IC 16-18-2-180).
- (3) A medical center (as defined in IC 16-18-2-223.4).

The term does not include a professional corporation (as defined in IC 23-1.5-1-10) comprised of health care professionals (as defined in IC 23-1.5-1-8) formed to render professional services as set forth in IC 23-1.5-2-3(a)(4) or a health care professional (as defined in IC 23-1.5-1-8) who bills for a service or product provided under IC 22-3-2 through IC 22-3-6 as an individual or a member of a group practice or another medical service provider that uses the CMS 1500 form for Medicare reimbursement.

(k) "Pecuniary liability" means the responsibility of an employer or the employer's insurance carrier for the payment of the charges for each specific service or product for human medical treatment provided under IC 22-3-2 through IC 22-3-6, as follows:

- (1) This subdivision applies before July 1, 2014, to all medical service providers, and after June 30, 2014, to a medical service provider that is not a medical service facility. Payment of the charges in a defined community, equal to or less than the charges made by medical service providers at the eightieth percentile in the same community for like services or products.
- (2) Payment of the charges in a reasonable amount, which is established by payment of one (1) of the following:
 - (A) The amount negotiated at any time between the medical service facility and any of the following, if an amount has been negotiated:
 - (i) The employer.
 - (ii) The employer's insurance carrier.
 - (iii) A billing review service on behalf of a person described in item (i) or (ii).
 - (iv) A direct provider network that has contracted with a person described in item (i) or (ii).
 - (B) Two hundred percent (200%) of the amount that would be paid to the medical service facility on the same date for the same service or product under the medical service facility's Medicare reimbursement rate, if an amount has not been negotiated as described in clause (A).



(l) "Service or product" or "services and products" refers to medical, hospital, surgical, or nursing service, treatment, and supplies provided under IC 22-3-2 through IC 22-3-6."

Renumber all SECTIONS consecutively.

(Reference is to SB 130 as printed January 25, 2019.)

DORIOT

COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment, Labor and Pensions, to which was referred Senate Bill 130, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to SB 130 as reprinted January 30, 2019.)

VANNATTER

Committee Vote: Yeas 8, Nays 4

