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North Carolina Industrial Commission

September 18, 2017

Employee Classification Section Continues to Receive Complaints About Worker Misclassification

FOR IMMEDIATE RELEASE:

Raleigh, N.C. – Recent reports suggest enactment of Senate Bill 407 creates a new section of the Industrial Commission to target employee misclassification. It does not. Instead, the legislation largely codifies preexisting initiatives of the Commission. The Employee Classification Section of the Industrial Commission was established in December 2015 through Executive Order 83, issued by former Governor Pat McCrory. The Executive Order directed various state agencies, under the management of the Director of the Section, to collaborate independent investigations to determine whether a violation has occurred with the respective agency’s operating statutes. The North Carolina General Assembly codified the Executive Order in recent legislation, which was signed into law on August 11, 2017 by Governor Roy Cooper. Complaints of misclassification for the first and second quarters of calendar year 2017 were up over 644% from the first and second quarters of calendar year 2016.

According to Bradley Hicks, Section Director, “Senate Bill 407 will allow the Employee Classification Section to strengthen the statewide collaborations with agencies in accessing information combat worker misclassification.”

The Section began receiving complaints from various partner agencies beginning in January 2016. Since the Section’s creation, it has entered into information sharing agreements with the NC Department of Commerce: Division of Employment Security and US Department of Labor: Wage and Hour Division. In addition, the Employee Classification Section has been collaborating with the NC Board of Examiners for Plumbing Heating and Fire Sprinkler Contractors, the NC Department of Labor and the NC Department of Justice since the fall of 2016 as well.

If you know of any misclassification, please contact the Employee Classification Section. The Section is open for business today and ready to help solve this problem.

E-mail: emp.classification@ic.nc.gov
Telephone: (919) 807-2582
Fax: (919) 715-0282

Employee Classification Section
North Carolina Industrial Commission
4333 Mail Service Center
Raleigh, NC 27699-4333