

CONTRACTOR REGISTRATION ACT/ EMPLOYEE CLASSIFICATION ACT

CONTRACTOR REGISTRATION ACT (CRA)

- Contractor Registration is required for all contractors and subcontractors in the construction industry.
 - Construction is defined as work on real property and annexations, including new work, additions, alterations, reconstruction, installations, and repairs.
- All businesses (Corporation, S-Corporation, Trust, LLC, Partnership & Sole Proprietorships) earning more than \$5,000 annually who are performing construction work or arranging for construction work in Nebraska must be registered.
- Effective August 1, 2026, the annual registration fee is \$40.
 - Register online at dol.nebraska.gov/conreg
- Any contractor doing business under more than one name must obtain a separate registration number for each business name (DBA).
- A certificate of insurance showing valid workers' compensation coverage is required for all businesses with one or more employees.

VIOLATION OF THE CONTRACTOR REGISTRATION ACT (CRA)

- Any contractor/subcontractor failing to register as required is subject to civil money penalties up to \$500 for the first violation and up to \$5,000 for a second or subsequent violation.

EMPLOYEE CLASSIFICATION ACT (ECA)

- Employee Classification Act provides for protection of workers in construction and delivery services from misclassification as subcontractors for the purposes of tax withholding, unemployment insurance, and workers' compensation insurance benefits.
- An individual/worker is presumed to be an employee and not an independent contractor for the purpose of the ECA unless all three of the following criteria are met:
 - The worker is free from control or direction in the performance of the work.
 - The work is done outside the usual course of the company's business and is done off the premises of the business.
 - The worker is customarily engaged in an independent trade, occupation, profession, or business.

VIOLATION OF THE EMPLOYEE CLASSIFICATION ACT (ECA)

- Administrative penalty of up to \$500 per misclassified individual for the first violation and up to \$5,000 for second or subsequent violation.

Employee Classification Act Posters

- Posters are available in both English and Spanish by contacting 402-471-2239 or ndol.contractorregistration@nebraska.gov or online at dol.nebraska.gov/LaborStandards/WorkerRights/EmployeeClassificationAct

File an ECA Complaint – If you believe you are being misclassified, file a complaint at the link below

- dol.nebraska.gov/LaborStandards/SubmitEmpClassificationAct