

# 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.
- Annual registration fee is \$25.
- Any contractor doing business under more than one name must obtain a separate registration number for each business name (DBA).
- A person who is self-employed and does not pay more than \$3,000 annually to employ others is eligible to claim fee exemption.
  - Must complete a notarized Affidavit for Fee Exemption form in lieu of payment
- 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](mailto:ndol.contractorregistration@nebraska.gov) or online at [dol.nebraska.gov/LaborStandards/WorkerRights/EmployeeClassificationAct](https://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](https://dol.nebraska.gov/LaborStandards/SubmitEmpClassificationAct)