

Nisha Verma on DOL's Independent Contractor Rule in HR Dive

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by Nisha Verma

Dorsey Partner Nisha Verma offered perspective on the Department of Labor's (DOL) planned rescission of the previous administration's 2024 independent contractor rule. The DOL intends to reestablish the "economic reality test" under the Fair Labor Standards Act, which evaluates independent contractor status by examining the individual's control over their work and their opportunity for profit or loss based on initiative or investment.

Nisha contributed to an *HR Dive* article saying, "commentators like to call the newer rule 'employer-friendly' and the prior 2024 rule 'employee-friendly,' but in my experience, that is reductive and ignores the nuance these situations present." She added, "I would like to see worker choice play more of a role in the analysis going forward, particularly since workers are more aware of their own tax circumstances, ability to earn other income, and need for flexibility than the business."

Read the [full article in HR Dive](#)

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