

REAL ESTATE



Timothy Tikalsky, Tax Stockholder
ttikalsky@rina.com
925-210-2180
1220 Oakland Blvd., Suite 300
Walnut Creek, CA 94596
www.rina.com



Q I am a real estate broker and have agents who are independent contractors. Do I have to cover them under my workers' compensation insurance?

A Yes, even though the agent is an independent contractor for federal and state law purposes he may likely be an employee with respect to other areas of the law, especially as interpreted by state regulatory agencies. California law requires real estate brokers to provide workers' compensation insurance coverage for their real estate sales agents, even when those agents are independent contractors. If an agent of an uninsured broker gets injured while working and cannot collect the workers' compensation benefits to which they are entitled through the broker's policy, the agent receives benefits from the state's Uninsured Employers Fund (UEF), administered by the Department of Industrial Relations' Division of Workers' Compensation (DWC). The DWC, in turn makes every attempt to collect from the broker on behalf of the UEF. Broker's who erroneously require agents to carry their own workers' compensation insurance may also be liable for potential claims for reimbursement and law suits.