

# Engage PEO Client Alert:

## Iowa Update

In June 2020, Iowa Governor Kim Reynolds signed a new law that amends Iowa Workers' Compensation law to establish the circumstances during which certain independent contractors are not considered employees when such workers perform service while operating certain vehicles.

**Per the new law, which takes effect July 1, 2021, independent contractors do not include an “employee” as defined below:**

- “[A] natural person who is employed in this state for wages by an employer”; and
- “[A] commission salesperson who takes orders or perform services on behalf of a principal and who is paid on the basis of commission but does not include persons who purchase their own account for resale.”

**Please contact your HR Consultant if you have any questions.**