

## IMPORTANT NOTE:

The Liquor Control Board (LCB) grants marijuana license endorsements to specific physical locations. If you change your address or move your business, please contact the Liquor Control Board at 360-664-1600.

## Workers' Compensation Insurance Coverage in Washington

Businesses in the marijuana industry need to comply with workers' compensation laws just like all other businesses operating in Washington State. This brochure outlines what you need to do to avoid fees and penalties that your business may be subject to by not accurately reporting.

- Employers must provide workers' compensation insurance coverage for their employees and other eligible workers.
- Workers cannot waive their rights to workers' compensation coverage (RCW 51.04.060).

## Record Keeping and Quarterly Filing

Your business is required to keep information on each worker that includes their name, social security number, beginning and ending date of employment, rate of pay, and time record showing days and hours worked each day. View record keeping requirements online at [www.Lni.wa.gov/IPUB/212-222-000.pdf](http://www.Lni.wa.gov/IPUB/212-222-000.pdf).

Businesses need to report workers' hours and pay premiums at the end of each quarter. File a report or view our online tutorial at [www.Lni.wa.gov/QuickFile](http://www.Lni.wa.gov/QuickFile).

## Due dates for quarterly reporting

Quarter	Report period	Report and payment due by
1	Jan. 1 – March 31	April 30
2	April 1 – June 30	July 31
3	July 1 – Sept. 30	Oct. 31
4	Oct. 1 – Dec. 31	Jan. 31

## Contact L&I Employer Services

360-902-4817

P.O. Box 44140

Olympia WA 98504-4140

*Upon request, foreign language support and formats for persons with disabilities are available. Call 1-800-547-8367. TDD users, call 360-902-5797. L&I is an equal opportunity employer.*

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# Workers' Compensation Requirements for the Marijuana Industry



Washington State Department of  
**Labor & Industries**  
*Workers' Compensation Services*

## Independent Contractors

Paying someone as an independent contractor and providing them with an IRS Form 1099 does not automatically exempt you from workers' compensation coverage requirements. Coverage requirements are determined by RCWs 51.08.180, 51.08.181 and RCW 51.08.195.

Take the test to determine if a worker needs to be reported. The independent contractor must meet ALL six parts of the test in order to be exempt.

1. Be free from your direction or control.
2. Need to pass one of the following three subtests:
  - a. Perform a service which is outside the course of your business or,
  - b. Perform the service away from all your business locations, including all your job sites or,
  - c. Be responsible, both under the contract and in fact, for the costs of the principal place of business from which the service is performed.
3. Need to pass one of the following two subtests:
  - a. Be customarily engaged in their own business to provide the services which are of the same nature as those performed under the contract or,
  - b. Have a principal place of business that qualifies for an IRS business deduction;

the place must be used regularly and exclusively for business purposes.

4. Be required under IRS rules to file a business tax return with the IRS.
5. Have a unified business identifier number (UBI) and an active account with the Department of Revenue.
6. Maintain their own set of books and records showing business income and expenses.

[www.Lni.wa.gov/IndependentContractor](http://www.Lni.wa.gov/IndependentContractor)

## Reporting of Workers

Registered nonprofit organizations must report all paid workers, including the organization's founders, board members, or other governing persons. Volunteers of a nonprofit organization are exempt from coverage **only** if they do not receive anything of value in exchange for their service — no money, product or anything else of monetary value.

All other businesses must report **all workers**, including family members, part-time and seasonal workers.

## Opening a Workers' Comp Account

L&I works with the Department of Revenue (DOR) to receive information that will open and/or update your business account. If you have reportable workers and don't have an account, you'll need to update your Business License Application by going online at [www.bls.dor.wa.gov](http://www.bls.dor.wa.gov) or by calling 1-800-451-7985 for assistance.

Complete all information including:

- The "Employment" section for hire dates, number of workers and job duties.
- Business mailing and physical addresses.

