



Portable Benefits

Modernizing The Future of Work

Millions of Americans work as independent contractors, freelancers, self-employed professionals, and app-based workers. Yet most benefits, such as health coverage, retirement savings, paid leave, and disability insurance, remain tied to traditional full-time employment.

Portable benefits **accounts** are worker-owned accounts that follow the individual **instead of being tied to businesses**. Workers can receive contributions from multiple hiring parties, **or make their own contributions**, and use those funds for benefits of their choosing. Capitol Leaders, alongside Americans for Prosperity, have championed portable benefits as a pro-worker, pro-freedom reform.

The Problem

- **Benefits are tied to employment status:** According to the latest U.S. Census data, independent workers, an estimated 30 million Americans, generate nearly \$1.5 trillion in annual economic activity, yet often lack access to benefits.
- **Legal uncertainty discourages innovation:** Businesses that voluntarily try to offer benefits to independent contractors risk triggering reclassification liability. The result is that no support is offered at all.
- **Economic insecurity grows:** Without access to portable safety nets, independent workers face income volatility with no health coverage, retirement savings, or disability protection.

State-Level Initiatives

- **Establish Worker-Owned Portable Benefit Frameworks:** States can authorize portable benefit plans or accounts that are owned by workers. Contributions from any number of hiring parties flow into a single account the worker controls and carries from job to job, contract to contract, platform to platform.
- **Voluntary Contributions Do Not Trigger Reclassification:** A critical reform is a safe legal harbor: a company's voluntary contribution to a worker's portable benefits account does not, by itself, constitute evidence of an employment relationship. This removes the legal barrier that currently discourages companies from helping at all.
- **Allow Flexible Use of Benefits:** Portable benefits work best when workers choose how to use them. State frameworks can authorize accounts for health insurance premiums, retirement savings, paid time off, disability insurance, life insurance, and other income-protection needs.



State-Level Initiatives

States across the country are increasingly leading on portable benefits reform, reflecting a growing, bipartisan effort to modernize worker benefits for a changing economy. These efforts span pilot programs, enacted laws, and active legislation, demonstrating both policy innovation and momentum.

Pilot Programs

Several states have tested portable benefits through pilot initiatives, including Pennsylvania, Maryland, and Georgia, helping policymakers evaluate how flexible, worker-owned benefits can operate in practice.

Enacted Laws

A number of **states have already passed legislation** to establish portable benefits frameworks:

- **Utah (SB 233, signed March 23, 2023)**: The first state portable benefits law in the nation. Allows public and private entities to voluntarily contribute to worker-owned benefit accounts. Explicitly prohibits contributions from being used to determine worker classification.
- **Tennessee (HB 494 / SB 1377, Voluntary Portable Benefit Plan Act, passed March 2025)**: Enacts the Voluntary Portable Benefit Plan Act, authorizing public and private entities to voluntarily contribute to portable benefit accounts for independent contractors. Prohibits contributions from being used to determine employment classification.

States Advancing Legislation

Additional states, including Wyoming, West Virginia, Kansas, Georgia, and Idaho, **are actively considering or advancing portable benefits legislation**, signaling continued expansion of this policy approach.

Considerations and Future Outlook

Portable benefits expand access to health coverage, retirement savings, and paid leave for independent workers, without mandates or sacrificing the flexibility those workers have chosen. States that modernize their benefits frameworks will support entrepreneurship, labor force participation, and long-term economic resilience.