

Is a Contractor Entitled to Severance?

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Question: Should an independent contractor be provided with severance for the same reasons as an employee?

Answer: Contemporary Poskim speak about severance primarily in the context of employees. The discussion of whether workers should be given severance because of *hanakah* or *lifnim mishuras hadin* is limited to employees and not extended to contractors.

It is not 100% clear how to differentiate between an employee and a contractor according to halacha. Some say that workers paid by the hour are defined as employees, while those paid to complete a job are defined as contractors. There was a *din Torah* in Eretz Yisroel involving a man who owned a bus and was hired to transport children to school. When the school made other arrangements and no longer needed his services, he argued that he is entitled to a pension. The school counterargued that he is an independent contractor and, therefore, they have no obligation to him. He responded that he was beholden to the school during certain hours of the day – the times of drop-off and pick-up – and, therefore, was their employee. The case revolved around this question of how exactly to define the difference between an employee and a contractor.