Protections for Translators – Section 2278

• Broad Exemption under Professional Services
• Translators can be Individual Sole Proprietors
• Must meet 6 Factors
Language Service Companies with Significant Translation Portfolios – Section 2276 – B2B

- Exemption under B2B
- Linguists can be individual Sole Proprietors
- Many parallels with Professional Services Exemption
AB 2257 and Translators

BEN KARL
An ATA-certified, corporate, marketing, and financial translator from French and Mandarin into English. He is a member of the American Translators Association, on the Membership Committee and editor of the French Language Division newsletter. He is also the chair of the Translatio Standing Committee of the International Federation of Translators.

You can reach Ben at:
Email: ben@bktranslation.com
Twitter: @Benttranslates
LinkedIn: https://www.linkedin.com/in/bentranslates/
Two Pathways to Exemption

• **Section 2778** – contracting for professional services
  OR

• **Section 2776** – working in a business-to-business (B2B) relationship
Section 2778 (6) (b) (2) (J):

(2) “Professional services” means services that meet any of the following:

[(A) ... (I)]

(J) Services provided by a freelance writer, translator, editor, copy editor, ...
Professional Service Requirements

• An “individual” includes an individual providing services as a **sole proprietor or other business entity**.

• Individual maintains a **business location**, which may include the individual’s residence.

• Individual has the **required business license or business tax registration** in order to provide the services under the contract.
Professional Service Requirements

• Individual has the ability to **set or negotiate their own rates**
• Individual has the ability to **set the individual’s own hours**.
• Individual is **customarily engaged** in the same type of work performed under contract with another hiring entity or **holds themselves out to other potential customers** as available to perform the same type of work.
Professional Service Requirements

• Work is performed under a **written contract**
• Provider is **not directly replacing** an employee who performed the same work
• Work is **not performed at the hiring entity’s business location**
• Provider is **not restricted from working** for more than one hiring entity

**OK, but what does all of this mean for me?**
1. Set up a sole proprietorship or other business entity

• Translators can operate as sole proprietors. You do not have to incorporate or form an LLC
  • Setting up another business entity could be beneficial to your business

• If doing business under your own name (e.g., John Smith), there is no name filing

• You might decide to file a Fictitious Business Name Statement with your county

Set up a sole proprietorship
If you’re a sole proprietor, you run your own business as an individual and are self-employed.

To establish a sole proprietorship, you must:
  • Choose a business name, for tax purposes, even if it’s your name
  • Obtain licenses, permits, and zoning clearance
    ◦ Visit CalGold for more information

You may:
  • File a fictitious business name statement with the county recorder
  • Obtain an Employer Identification Number
    ◦ Visit the Employment Development Department for more information

Source: CA Franchise Tax Board
2. Get a business license

• Check requirements in your jurisdiction.
3. Get a federal employment ID number

Apply for an Employer Identification Number (EIN) Online
4. Set up a home office
5. Advertise your services
6. Educate, empower, professionalize

- Think of yourself as a business, not a contractor. Feel empowered to set and negotiate rates and hours
- Learn the requirements of AB 2257 backwards and forwards
- Join a professional association
- Help spread the word!
- Do you feel misclassified? Act!