

**Item for B2G website, News:**

**Important change to HUBZone regulations with regard to employee definition going into effect May 3, 2010**

(April, 2010)

On May 3, 2010, an important change to the HUBZone regulations will go into effect concerning the definition of an employee.

The new definition clarifies when a person working for a small business concern (SBC) is considered an employee of that SBC for HUBZone eligibility purposes and simplifies that determination. More specifically, the new definition revises the definition of the term “employee” to: (1) delete the full-time equivalency requirement; (2) specifically allow HUBZone SBCs to count leased or temporary employees or employees obtained through a temporary agency, professional employee organization (PEO) arrangement or union agreement, as employees; (3) specifically state that SBA relies on the totality of circumstances as further defined by Size Policy Statement No. 1 when determining whether individuals are employees of a concern; (4) explain that volunteers are not employees; (5) define volunteers as those persons that receive no compensation; and (6) address the status of individuals that own all or part of the SBC but receive no compensation for work performed. For more information go to: <http://www.sba.gov/hubzone/>