

WORKER CLASSIFICATION & EMPLOYMENT TAX

Misclassification of workers as independent contractors can present significant liability risks at both the federal and state levels. To help ensure Hodgson Russ clients are well protected, our attorneys work proactively to identify potential worker misclassification issues and help create defensible independent contractor classifications where desirable and appropriate. And when claims, audits, or investigations arise, our worker classification and employment tax attorneys have extensive experience in developing solutions to avoid or minimize exposure and, when necessary, litigating such matters before the federal and state courts, departments of labor, workers compensation boards, and taxing authorities.

Businesses—and certain business owners, officers, and employees—accused of misclassifying employees as independent contractors can face substantial liability in areas that include the following:

- Unpaid taxes and penalties (e.g., federal and state income tax withholding, FICA, FUTA, SUTA)
- Workers compensation-related penalties
- Disability insurance-related penalties
- Wage and hour-related liability (e.g., failure to pay a misclassified worker minimum wage and overtime)
- Employee benefit plan risks (e.g., misclassified workers may be entitled to benefits under various employee benefit plans)
- Criminal liability, in certain cases

Hodgson Russ attorneys help identify potential worker misclassification issues that may harm your business and help create defensible, beneficial independent contractor classifications.

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Developing solutions for issues related to the classification of workers requires a deep understanding of many different substantive areas:

- Federal and state tax law
- Wage and hour law
- Workers compensation and disability law
- Employee benefits law
- Criminal law



Hodgson Russ has successfully litigated matters ranging from cases involving a single worker to those implicating the classification of thousands.

Given the potential scope and significance of the liability associated with misclassification, responding to and developing solutions for issues relating to the classification of workers requires a deep understanding of many different substantive areas of law, including federal and state tax law, wage and hour law, workers compensation and disability law, employee benefits law, and criminal law. Our multidisciplinary team includes attorneys with extensive experience in all of these areas.

Hodgson Russ's worker classification and employment tax attorneys have

represented hundreds of clients of all sizes, from small start-ups and nonprofit organizations to major multinational corporations, in connection with worker classification matters. And our attorneys have successfully litigated worker classification matters of all sizes, ranging from cases involving a single worker to those implicating the classification of thousands. In all cases, we work with our clients to develop a holistic approach that makes business sense and takes into account the wide array of legal consequences associated with worker classification decisions.

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