

Whose Law Is It Anyway? NLRB Region's Complaint Seeking To Have Contractors Converted To Employees Throws Agency Into The Misclassification Fray With The IRS And DOL

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Misclassification of employees as independent contractors is a huge area of concern for many companies, as a misclassification finding can result in big fines, penalties, and/or back wages and taxes. And those negative outcomes can be imposed by any one of several agencies – from the Internal Revenue Service (IRS) to the Department of Labor (DOL) to state unemployment agencies. The National Labor Relations Board (NLRB) may now be jumping into the misclassification fray. According to a press release issued by the NewsGuild-CWA and news reports, NLRB Region 21 (Los Angeles) has just issued an unfair labor practice complaint against a company that seeks, among other things, an order from the full NLRB that forces the employer to reclassify certain independent contractors as employees. While companies frequently have to deal with misclassification issues before the IRS and the DOL, it is not nearly as common to see this type of case come before the NLRB. A formal hearing with respect to the complaint has been set for August 21. Stay tuned.

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