Independent Contract Workers: Just Because You Say It, Doesn’t Make It So

Many companies in the technology industry pay workers as “*independent contractors*” or “*1099 workers,*” write **Mark J. Neuberger** and **Larry S. Perlman** of **Foley & Lardner** in an article posted by ***The National Law Review***. In theory, classifying individuals as independent contractors rather than employees can bestow significant economic benefits on a company. This option may be very attractive to a start-up who may be short on cash to pay salaries and fringe benefits.

“When independent contractors do the work, your company is not responsible for tax withholdings, is not responsible for workers’ compensation or unemployment insurance, and does not need to pay minimum wage or overtime,” they explain. “That’s the good news. However, when not done correctly, independent contractor classification is fraught with risk and lots of potential legal liability.”

Read the article.