

# WATER COOLER MONTHLY

E-NEWSLETTER



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## Beware of Independent Contractor Status

### So You Would Rather Use Independent Contractors?

Yes, we understand it's much less headache: no workers' compensation, no withholding, no payroll, no employment law liability, right? Wrong if you are negotiating with the EDD, DOL, Labor Commissioner or other friendly neighborhood bureaucrats.

### The Crackdown

The EDD and the federal Department of Labor in particular, seem to be on a mission to convert all so called independent contractors into employees. This of course is for the sake of the poor contractor that needs to be protected. In the meantime they'll readily send you assessments in the six figures for personal income tax, state disability income, unemployment insurance and employment training taxes and overtime.

### The Misconceptions

The distinction between an independent contractor and employee as ultra critical for all of the above mentioned reasons. Many misconceptions can cause problems:

- My workers come and go as they please so they must be independent contractors;
- I send them a 1099, not a W2 at the end of the year (this is the consequence of having true IC's, but it is not the legal analysis);
- They have other businesses or work for others on the side.

Unfortunately, the legal analysis is more complex than that, very fact intensive and very gray. All this means is whoever is deciding the facts can twist them to achieve the desired result, usually employee not independent contractor status.

While the "right to control" the manner, means, method and mode of performing the details of the work is the key test, there are many other "factors" all of which are designed to see if the worker truly has their own independent business from yours

## Innovative New Program for Preventing Employment and Labor Law Claims

As a business you should be able to focus on your success, and not have to worry about employee lawsuits. That's why we created a simple, common sense approach to preventing employment and labor law liabilities in your business that's actually *affordable*, and won't get in the way of what's most important to you - growing your business. We offer three patented innovative programs for your business all designed to lower your legal expenses, proactively work to protect your business from claims, share in the risk when we defend your business, and make your money go farther to deliver more legal services when you need help. That's why our offering has been called one of the most innovative legal protection programs ever created for California small business.

### An Affordable, Common-Sense Approach

At Vision Law, we have long understood that the traditional "billable hour" approach to legal services frustrates consumers, especially growing and small businesses. Let's face it, most business owners perceive that legal services are expensive, time consuming, and therefore something to be avoided unless absolutely necessary. But "absolutely necessary" usually means there is already an employee claim, or threat of a claim, that now requires a response.

Responding to claims when they occur is even more time consuming, expensive, and disruptive to your business. Preventing employment and labor law claims in your business eliminates these challenges. Vision Law Corporation has created three innovative programs designed to do just that – reduce the risk of claims while controlling costs by providing Fortune 500 quality lawyers at a predictable price you can afford. Our goal is to provide affordable, proactive services so you can focus on what is most important – your business.

### Learn more about our [Small Business Legal Programs](#)

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