

# Misclassification of Employees as Independent Contractors for Admins



## RISK BY JURISDICTION

This report analyzes both Federal and State laws. The overall result above is the higher risk of the two. Below is a breakdown of each jurisdiction analyzed separately.

### Federal



Under the facts provided it is **moderately** likely that Nicole Smith LLC will be found to be an employee.

### Indiana

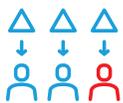


Under the facts provided it is **highly** likely that Nicole Smith LLC will be found to be an employee.



[www.dol.gov/agencies/whd/flsa/misclassification](http://www.dol.gov/agencies/whd/flsa/misclassification)

## ! RED FLAGS



Engaging contractors to perform the same work as employees



Engaging contractors for full-time work over a long period of time



Prohibiting contractors from working for other companies



Treating contractors like employees



Controlling when, where or how the contractor performs the work

## ✓ BEST PRACTICES



Engage contractors through a third-party



Pay by the project, not by the hour



Enforce the contract, sure, but do nothing else



Never be a contractor's first or only customer



Audit your practices regularly, using the most difficult applicable test