

Employment law

Law



If the IRS later reclassifies a contractor as an employee, the employer faces liability for back payroll taxes, possible criminal sanctions, and invalidation of benefit plans.” (2004) These are things to keep in mind when an organization is facing an audit from the Department of Labor. It would be best to thoroughly review the laws governing independent contractor categorization before the audit process begins to ensure that the independent contractors are properly classified.

As far as the school bus accident is concerned, it would again be best to review the laws governing the liability of the organization when an accident involving an independent contractor is concerned. It is most likely that the liability of the accident will fall into the hands of the person who is actually at fault for the accident rather than the employing organization, as it may first appear. Since companies who hire independent contractors rarely carry insurance on these individuals, there may be a significant problem arise (Freelawanswer, 2010).