

## Your Independent Contractors May Actually Be Employees

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Amy Lessa and Megan Walker authored the article, "Your Independent Contractors May Actually Be Employees." This article, featured in *West Coaster Magazine*, provides Califonia breweries with hiring advice on how to stay compliant when hiring independent contractors.

"California is replete with employment laws and regulations that create a difficult web for breweries of all sizes. One of the first issues to address when hiring for your brewery is whether certain individuals are employees or independent contractors. Independent contractors are not considered employees for wage and hour purposes, so getting it wrong can result in steep penalties and even criminal charges in certain circumstances. In other words, it's a big deal.

## **How to Spot An Employee**

Different government agencies and courts use different tests to determine if a worker is an employee or an independent contractor. These tests look at different factors to determine the nature of the relationship. In California, the state agencies most involved with the determination of independent contractor status are the Employment Development Department (EDD), which is concerned with employment-related taxes, and the Division of Labor Standards Enforcement (DLSE), which is concerned with whether the wage, hour and workers' compensation insurance laws apply. Other agencies, such as the Franchise Tax Board and the Contractors State Licensing Board also have regulations concerning independent contractors."

To read the full article, please visit <u>West Coaster Magazine</u>.

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