

Employees versus Independent Contractors in Wisconsin

An important consideration for any business or practice is to understand the distinction between workers who are classified as "employees" and those which are classified as "independent contractors". Distinguishing a workers classification is vital to the employer because the proper classification determines the employers obligations with regard to unemployment insurance, workers compensation coverage, wage and hour benefits, tax withholding implications, and civil rights protections. Generally, independent contractors are responsible for their own federal and state withholding; while the employer is responsible for the withholding on those workers who are regarded as employees. There are both statutory and administrative guidelines which can be relied upon in distinguishing employees from independent contractors.

A very reliable source for distinguishing the nature of employment in Wisconsin can be found at a new website offered by the Division of Workforce Development. In July of 2013, the DWD published a new website to provide information on worker's classification for employers in Wisconsin. That website can be found at www.dwd.wisconsin.gov/worker_classification. This website offers employers a summary of the law which distinguishes whether a worker is an employee or an independent contractor and provides actual examples relevant to the applicable Wisconsin case law.

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