**Worker Classification Talking Points**

1. I take care of my employees. I pay them a fair wage. I pay workers’ comp. premiums. I pay them overtime. I pay all of the federal and state taxes that employers are required to pay. That’s the right thing to do.
2. There are some companies that I compete with that don’t have any employees, but they do have people that work for them. They treat everyone that works for them as independent contractors, even though they’ve had the same people and crews on all of their jobs for a while. They supply them with the tools for their work, they tell them when to work and what to do every day. These companies don’t pay their workers extra for any overtime work. They don’t pay workers’ comp. premiums and they don’t pay state or federal taxes. Even though these workers are treated like an employee on the job, they are erroneously classified as independent contractors for tax purposes.
3. These companies underbid me by as much as 15 – 30% where we compete since I have a tax burden which they do not. Losing a bid because the competition is not complying with the law is wrong and should not be tolerated by the state. The state should promote an environment where competition is fair.
4. This practice of misclassifying employees as independent contractors costs me money, costs my employees jobs and costs the state unpaid taxes. This is wrong; it’s illegal; and it’s fraud in the workplace. Something needs to be done to catch these companies who are engaging in illegal work practices. They should be punished for what they are doing.
5. ***We need stronger penalties for bad actors, yet allow for companies that legitimately use independent contractors to continue to do so without penalty. Currently, if caught, bad actors only pay back taxes, interest, and a tiny penalty.***