

# WORKER CLASSIFICATION LAW

EMPLOYERS ARE REQUIRED BY LAW TO CORRECTLY CLASSIFY EACH WORKER AS EITHER AN "EMPLOYEE" OR "INDEPENDENT CONTRACTOR."

It is important for employers to correctly classify their workers.

Worker classification determines whether or not employers have legal obligations under civil rights, labor standards, worker's compensation, and unemployment insurance laws.

There are consequences for misclassifying or attempting to misclassify a worker as an independent contractor which may include criminal penalties and jail time.

## EMPLOYEES ARE:

- **Protected** under safe workplace laws.
- **Protected** under non-discrimination laws.
- **Eligible** for unemployment benefits.
- **Entitled** to receive minimum wage.
- **Entitled** to receive overtime compensation.
- **Entitled** to receive worker's compensation.

## INDEPENDENT CONTRACTORS ARE:

- **Not always protected** under safe workplace laws.
- **Not always protected** under civil rights laws.
- **Not eligible** for unemployment benefits.
- **Not entitled** to minimum wage.
- **Not entitled** to overtime compensation.
- **Not entitled** to worker's compensation.

If you are uncertain of how to classify workers, or if you suspect an employer is utilizing misclassified workers, please contact the Department of Workforce Development.

## STATE OF WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT

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**Website:** <https://dwd.wisconsin.gov/worker-classification/>

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