

Employee/Independent Contractor Classification and Disputes

Overview

Dentons' Global Employment and Labor Group includes over 400 lawyers who regularly represent management in connection with employment and benefits related litigation, arbitration, corporate and governmental investigations, executive compensation and counseling projects. Our employment lawyers are known for providing practical, business-oriented advice. With our global presence and contacts, we are one of only a few firms that can provide multinational businesses with a coordinated solution to all employment and benefits needs.

The employment lawyers at Dentons can assist you with all aspects of your dealings with independent contractors from the inception of the relationship through its resolution. We will represent your organization in any disputes which arise throughout the course of the relationship. How should you utilize independent contractors and comply with employment, tax and benefits laws? When employees have been improperly classified as contractors, how do you convert or sever the relationships and avoid or minimize legal liability? Our wide-ranging employment and benefits expertise enables us to provide advice and representation regarding all aspects of these relationships.

Government agencies in many jurisdictions will audit corporate clients' use of such independent contractors, attempting to re-classify contractors as employees and thereby obtain additional taxes or apply penalties. Dentons has a highly successful track record in representing clients involved in independent contractor audits and disputes.

Representative Experience

- **Home energy and services company:** Representing in connection with a wage/hour audit conducted by the Rhode Island district office of the US Department of Labor, alleging unpaid overtime compensation. Dentons successfully challenged the department's methodology for calculating overtime, settling the matter to the company's satisfaction with respect to the Rhode Island technicians at issue.
- **Insurance company:** Representing in audit by the California Employment Development Department of independent contractor agents and other independent contractors. The matter was potentially worth millions of dollars if the state of California had reclassified contractors as employees. The matters being audited went to the heart of the client's business; the representation led to a completely favorable resolution with the state of California.
- **Large multi-state retailer:** Representing in five separate wage-and-hour class actions - three filed in California state court, one filed in the United States District Court for the Western District of Missouri, and one filed in the United States District Court for the Northern District of Illinois. The class actions all challenged the client's overtime, commission, and other employment practices. After removing the California cases to federal court, defense counsel arranged for a joint, global mediation with all five sets of plaintiffs, ultimately securing a very favorable settlement of all claims.