

Dept. of Workforce Development: Tackling worker misclassification issue with education, videos

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MADISON – As part of continuing, agency-wide efforts to combat worker misclassification, the Wisconsin Department of Workforce Development (DWD) has expanded its [60-Second Video Library](#) with four educational videos available in English and Spanish.

The release of the videos is timely. Warmer weather coincides with an uptick in seasonal work and the potential for employees to be misclassified as independent contractors, depriving them of legal protections and benefits such as worker's compensation if injured on the job.

“Worker misclassification hurts workers, employers and communities,” said DWD Secretary-designee Amy Pechacek. “As part of our efforts to make Wisconsin a fair, just and safe place for all to live and work, we are building awareness of this exploitive labor practice through new, more accessible education and outreach tools.”

Worker misclassification is the unlawful practice of labeling employees as independent contractors. Employers who intentionally misclassify workers typically do so to avoid paying taxes and benefits.

For example, independent contractors are not protected under Family and Medical Leave Act (FMLA), safe workplace laws, and civil rights laws. They also do not qualify for unemployment insurance, minimum wage, overtime, and worker's compensation.

Worker misclassification also can lead to higher insurance premiums for businesses that do play by the rules. To help even the playing field, DWD's Worker's Compensation Division conducts thousands of investigations each year and assesses more than \$6 million in penalties annually - on average, more than \$2,500 per penalty.

DWD's Unemployment Insurance (UI) Division also monitors for the practice. In 2021, auditors conducted 1,709 audits and identified 3,365 misclassified workers, generating \$780,000 in UI taxes and interest.

The new videos and online resources are part of a strategy called for by the [Joint Enforcement Task Force on Worker Fraud and Misclassification](#). Created by Gov. Tony Evers in 2019, [the task force has concluded its work](#) with expectations that members including DWD carry out recommendations such as expanded outreach. Among the key messages is that "worker misclassification is cheating, and cheaters shouldn't win."

"I'm pleased that we can add these videos to our outreach library, and I'm proud to offer our first Spanish language 60-Second videos," said Equal Rights Division Administrator Jesús Villa. "While employee misclassification harms everyone, language barriers can make workers even more vulnerable to exploitation."

DWD's new worker misclassification 60-Second Videos are on [DWD's YouTube channel](#). DWD regularly shares 60-Second Videos on social media covering a variety of topics, including commonly asked questions about worker and employer rights.

Questions about worker misclassification may be sent to workermisclass@dwd.wisconsin.gov. For more information on worker misclassification, please call (608) 261-5835 or visit the [Worker Classification page](#) of the DWD website.