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Weber 
Gallagher

Governor Phil Murphy Established New Task Force To Combat Employee Misclassification

While attending an event at the Northeast Regional Council of Carpenters training facility in Edison, NJ yesterday, Governor Phil Murphy signed an Executive Order to establish a new task force. Its emphasis will be on employee misclassification, for the purposes of determining this designation by contractors who might be committing fraud by improperly classifying that company's employees as 'independent contractors'.

This clarification of designation could potentially affect taxes, medical benefits and workers' compensation practices not only to those individuals who might be improperly designated as 'independent contractors' but also to insurance companies and governmental bodies. By more accurately determining company size, proper premiums could be charged, taxes collected and things as far ranging as recovery of child support arrearages.

It is the Governor's intention to bring wayward companies into compliance or put those companies out of business, and the Commissioner of Labor is of the opinion that this will be a benefit to workers' rights.

Comment: We recommend that employers, especially those in construction, transportation and landscaping, review their policies and classification practices as the intent of the task force appears to be pointing to those industries for future inspection, enforcement and penalties.