

# National Guides



## Littler on Classifying Workers

**Scope of Discussion.** A company’s legal obligation to its workers under the various employment and labor laws depends primarily on whether the workers are considered employees under the applicable statute. This publication sets forth the different tests used to determine employee status and is contrasted against proper or improper independent contractor status. The discussion also captures the added complexity when a company employs a contingent workforce. The term “contingent labor” refers to workforce relationships outside the traditional, full-time employee model and often includes third-party staffing where staffing firms recruit, hire, and employ the workers; outsourcing companies that totally manage a specific business function for their clients, often on the business premises of their clients; professional employer organizations (PEOs) which provide administrative support to workers recruited and supervised by their client-companies; and leasing firms that provide a hybrid of administrative services to a company. Practical guidance is also included in the form of an independent contractor questionnaire, a sample independent contractor agreement, and additional guidelines on structuring a third-party, contingent workforce relationship.

The focus of this publication is federal law. While some state law distinctions may be included, the coverage is not comprehensive.

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