

State & Federal Government Action to Combat Employer Misclassification



2010

U.S. DOL launched the Misclassification Initiative as part of Vice President Biden's Middle Class Task Force. The initiative combats misclassification and FLSA violations through DOL's Wage and Hour Division.



2011

Former Secretary of Labor Hilda Solis signs the Memorandum of Understanding between U.S. DOL and the IRS. The agreement directs agencies share information to reduce the misclassification of employees, in order to reduce the tax gap and improve federal compliance.

2013



U.S. DOL helped 196 employees at a Kentucky based cable installer recover over \$1 million in retroactive overtime pay and other benefits.

U.S. DOL collected more than \$18.2 million in back wages on behalf of 19,000 employees who had been misclassified.



2014

Former Secretary of Labor Thomas Perez awarded \$10.2 million to 19 states to help combat employee misclassification.



A Sacramento Superior Court in California ruled that The Sacramento Bee misclassified over 5,100 newspaper carriers as independent contractors.



2015

In 2015, DOL's Wage and Hour Division released memorandum of guidance on worker classification. Though not an official change in policy, the guidance is an attempt to provide a more detailed interpretation of how to classify workers under the Fair Labor Standards Act.



DOL announced that it recovered \$700,000 in back wages, damages, and penalties for over 1,000 misclassified construction industry workers in Utah and Arizona.



2016

The Bureau of Labor Statistics announced a partnership with the Census Bureau to bring back the Contingent Workers Supplement to the Current Population Survey starting May 2017.



U.S. DOL's Wage and Hour Division along with the Internal Revenue Service have worked with state agencies to investigate misclassification. These investigations resulted in \$74 million in back wages for more than 102,000 workers.

Uber decided to settle a class action lawsuit for brought against it by drivers in California and Massachusetts for \$100 million.



Reference:

[The Department for Professional Employees, AFL-CIO \(DPE\)](#)