

Were You Paid In Cash, or Given a 1099 Instead of a W-2?

Misclassification Has Tax Consequences.

WHAT IS MISCLASSIFICATION?

"Independent contractor" is a category used for freelancers, self-employed people, and people with their own businesses. But **employers often incorrectly categorize workers as independent contractors when they were really employees.**

"Misclassified" workers end up paying 15.3% of their wages in Social Security and Medicare tax, instead of the 7.6% regular employees are supposed to pay. **Misclassified workers can end up with a big tax burden through no fault of their own.**

HOW DO I KNOW IF I WAS MISCLASSIFIED?

Even if your employer called you an independent contractor, if you were treated as a regular worker and not someone who was self-employed, you may have really been an employee. **Your correct classification depends on the specific facts of your work-- it's not your employer's decision.**

Use these questions to help you figure out whether you were an employee or an independent contractor:

- Did you have a boss or supervisor?
If so, it's likely that **you are an employee.**
- Do you clock in or otherwise report your hours?
If so, it's likely that **you are an employee.**
- Do you have your own business?
If so, it's likely that **you are NOT an employee.**

GET TAX HELP

If you were misclassified, you can dispute your classification with the IRS to avoid paying extra taxes. For help and advice, contact Philadelphia Legal Assistance's **Low Income Taxpayer Clinic.** We provide **free, confidential assistance to misclassified workers and** people with other federal tax issues.

Contact us through the main intake at Philadelphia Legal Assistance:
Call 215-981-3800 between 9:30 a.m. and 12 p.m. Monday through Thursday
or visit philalegal.org/apply

Note: We are not part of the IRS. We also generally do not prepare taxes.



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