

HOW EMPLOYERS CAN AVOID TROUBLE

by Syndicated Insurance Resources | Oct 10, 2018

Let us help you avoid threats to the long term survival of your business.



We live in a world that has rules, regulations, and laws that are designed to help us work together symbiotically in all aspects of life — from business to our personal lives.

Like most of us, you've heard the sayings: "rules were made to be broken" or "coloring outside the lines." In theory, these types of approaches may sound great.

These concepts may evoke mental pictures of doing whatever it takes to "get the job done," regardless of set parameters and guidelines.

Unfortunately, the practice of rule breaking can only lead to problems.

Why? Well, on the other side of "rules were made to be broken" there's this saying: "don't let your sins find you out."

Rules in Business Are Important to Success

In business, compliance helps organizations and their employees grow. They are designed to help with accountability, safety, job security, and protection of rights.

Imagine if you will, an employer who doesn't follow the rules and regulations surrounding workers compensation. When you think about that scenario—which you may have already experienced first-hand—you can quickly see how havoc, chaos, and turmoil can evolve.

Now apply that same logic to how employers pay their employees.

Standards for Paying Employers and Contractors

Most businesses have paperwork and procedures in place to ensure their employees and contractors receive the correct benefits and payments. The onboarding process is systematic and brings many benefits from engaging team members to building trust and boosting business growth. It makes sense to have a straightforward process in place for paying the people hired to do a job. When you do, people are eager to help you achieve the project or goal you've enlisted their support to accomplish. So why would any employer want to pay someone "under the table?" It may have never occurred to you, but some employers pay the people that work for them in this discrete and non-visible way.

Results from Paying Workers "Under the Table"

There are several reasons that employers are tempted to pay employees in "under the table" or with cash-only. They could want to avoid:

- Withholding payroll taxes
- Workers' comp insurance
- Employee documentation (e.g., immigrants without proper work visas)
- Administrative record-keeping
- Paying for benefits

"Under the table" or "off the record"—no matter what name you use, it is against the law. If you are caught doing this, the consequences are severe. As an employer, you are responsible for knowing how the practice of under the table payments could impact your company.

Employers could be impacted by potential:

- Criminal prosecution
- IRS audits and penalties
- State audits and penalties
- Injuries to "under the table" employees, which may not be covered
- Employment practices claims from employees

- Problems gathering records in the event the employer faces litigation or criminal investigation
- and much more...

How You Can Get Compliant

We want to go the extra mile and do everything possible to keep our employers from getting into trouble. A few things to consider;

- Did you know that signing up and getting a Certificate Of Insurance is only the first step in addressing your obligation as an employer?
- Since you've signed up, you haven't reported any payroll. Are you just not working?
- Do your workers meet the [definition of a 1099 contractor](#)?
- Did you know that not filing payroll for your workers can result in your business being shut down?

We can work with your broker to address any questions or concerns. We have a team of professionals that provide consultation and resources dedicated to ensuring compliance. Depending on the circumstances, we have multiple products and services directed to employers.

Don't fall into the non-compliance trap.

We want to help guide our employer clients about the various possibilities and offering solutions that can save them from a hornet's nest of problems.

For small contractors, [Staff Pro Plus](#) helps you manage a fluid workforce. (But remember that subscribing to the service is just the beginning of the process.)

For larger clients with permanent staff, we can offer multiple tailored [PEO](#) solutions or [traditional workers' compensation](#) . We can also offer [Human Resource](#) products and services to address employer needs comprehensively.