

[Date]

[Recipient Name]

[Recipient Title/Position]

[Company Name]

[Address]

[City, State, Zip Code]

**RE: Advisory Notice Regarding Worker Classification and Potential Tax Liability**

Dear [Recipient Name],

This letter serves as formal notification regarding the current classification of [Worker Name/My Name] as an independent contractor. Based on an internal review of the job duties, behavioral control, and financial arrangements, there is a significant concern that this role meets the legal criteria for an employer-employee relationship rather than that of an independent contractor.

The misclassification of employees as independent contractors can lead to substantial legal and financial consequences, including:

- Unpaid federal, state, and local income tax withholdings.
- Unpaid Social Security (FICA) and Medicare taxes (both employer and employee shares).
- Liability for unpaid overtime and minimum wage under the Fair Labor Standards Act (FLSA).
- Failure to provide workers' compensation and unemployment insurance coverage.
- Substantial penalties and interest charges from the IRS and Department of Labor.

According to IRS guidelines, the degree of control and independence is the primary factor. Specifically, [cite specific examples of control, such as set hours, company-provided equipment, or integration into core business operations].

We strongly recommend a formal re-evaluation of this classification to ensure compliance with tax laws and labor regulations. Addressing this matter proactively will mitigate the risk of audits and the imposition of back taxes or penalties.

Please provide a written response or schedule a meeting by [Date] to discuss the steps necessary to rectify this classification.

Sincerely,

[Your Signature]

[Your Printed Name]

[Your Title/Contact Information]