



## LOUISIANA WORKFORCE COMMISSION DEVELOPMENTS

### **EMPLOYERS REQUIRED TO POST NEW EARNED INCOME CREDIT POSTER**

The Louisiana Workforce Commission has updated the Earned Income Credit (EIC) poster to reflect the 2012 income eligibility increases and notice of the elimination of the advance payments of the Earned Income Tax Credit to workers after December 31, 2010. The new poster can be downloaded from the Louisiana Workforce Commission's [website](#). A Spanish version is also available.

Starting this month, all Louisiana business establishments that have 20 or more full-time or part-time employees must post the revised poster in the same location where other employee notices required by state or federal law are posted. *See* La. R.S. 23:1018.1, 23:1018.2, 23:15.

Earned income tax credits are reductions in federal income tax liability that are available to employees who meet certain requirements. The revised EIC poster provides new 2012 income limits for four categories of employees who are eligible to participate in the program:

1. The income limits for employees with three or more qualifying children are now \$45,060, if filing separately, and \$50,270, if married and filing a joint return.
2. For employees with two or more qualifying children, the income limits are now \$41,952, if filing separately, and \$47,162, if married and filing a joint return.
3. For employees with one qualifying child, the income limits are now \$36,920, if filing separately, and \$42,130, if married and filing a joint return.
4. For employees with no qualifying children the income limits have increased to \$13,980, if filing separately, and \$19,190, if married and filing jointly.

The new poster also includes new information about resources available through the Internal Revenue Service (IRS), including new toll-free IRS telephone numbers [individuals, 800-829-1040; businesses, 800-829-4933; and exempt organizations, 877-829-5500] for those who have questions about the EIC program.



**LOUISIANA WORKFORCE COMMISSION AND U.S. DEPARTMENT OF LABOR ANNOUNCE AGREEMENT TO REDUCE MISCLASSIFICATION OF EMPLOYEES AS INDEPENDENT CONTRACTORS**

Last year, the U.S. Department of Labor (DOL) announced its Misclassification Initiative, launched under the auspices of Vice President Biden's Middle Class Task Force, to reduce the incidence of misclassification of employees as independent contractors. On September 19, 2011, the DOL and Internal Revenue Service (IRS) signed a Memorandum of Understanding (MOU) providing that the agencies will work together and share information to reduce the incidence of misclassification of employees as independent contractors. As part of the DOL's initiative, it also has entered into similar agreements with 13 state agencies to combat the misclassification problem. On February 23, 2012, the Louisiana Workforce Commission and the DOL entered into such an agreement. The Department is actively pursuing MOUs with additional states as well.

The DOL initiative with the Louisiana Workforce Commission adds another layer of scrutiny as both federal and state agencies are now actively pursuing the misclassification of employees or independent contractors. Employers that misclassify employees as independent contractors could be liable to such workers for overtime compensation, FICA and unemployment insurances taxes, workers' compensation premiums, and other employee benefits such as health care and 401(k) contributions. With the heightened scrutiny, it's a good time to audit your workforce to make sure you have correctly classified your employees to avoid potential liability.

—*H. Mark Adams* and *Celeste Laborde McNulty*



*Remember that these legal principles may change and vary widely in their application to specific factual circumstances. You should consult with counsel about your individual circumstances. For further information regarding these issues, contact:*

**Sidney F. Lewis, V**  
*Partner, Jones Walker*  
201 St. Charles Avenue  
New Orleans, LA 70170-5100  
504.582.8352 *tel*  
504.589.8352 *fax*  
[slewis@joneswalker.com](mailto:slewis@joneswalker.com)

## Labor & Employment Practice Group

H. Mark Adams  
Jennifer L. Anderson  
Timothy P. Brechtel  
Bradley R. Byrne  
Susan K. Chambers  
Laurie M. Chess  
Karen G. Clay  
Amy C. Cowley  
Steven R. Cupp  
Kathryn W. Drey  
Jennifer L. Englander

Jane H. Heidingsfelder  
Cornelius R. Heusel  
Thomas P. Hubert  
Peyton S. Irby, Jr.  
Mary Ellen B. Jordan  
Tracy E. Kern  
Jennifer F. Kogos  
Joseph F. Lavigne  
Mary Margaret S. Lebato  
Sidney F. Lewis, V  
Ian A. Macdonald

Christopher S. Mann  
Celeste L. McNulty  
Edward A. R. Miller  
James Rebarchak  
Veronica Rivas-Molloy  
David K. Theard  
Lindsay C. Thomas  
Courtney L. Tomlinson  
Patrick J. Veters  
Kary B. Wolfe

*This newsletter should not be construed as legal advice or a legal opinion on any specific facts or circumstances. The contents are intended for general informational purposes only, and you are urged to consult your own attorney concerning your own situation and any specific legal questions you may have.*

To subscribe to other E\*Bulletins, visit <http://www.joneswalker.com/ecommunications.html>.