

## **Resolution Regarding Hiring Practices of Craftspeople**

WHEREAS craftspeople are part of time-honored, respected crafts that builds quality homes, schools, churches, offices and civic buildings – the very places in which we live our daily lives; and

WHEREAS hard-working craftspeople build up the American dream by constructing the infrastructure that moves our economy forward; and

WHEREAS dishonest contractors are taking advantage of craftspeople in alarming numbers through a business plan that involves misclassification of workers and payroll fraud; and

WHEREAS payroll fraud is committed by contractors that purposefully evade basic payroll taxes and insurance benefits by knowingly misclassifying workers as “independent contractors,” withholding pay or paying workers off the books. (Not only does it cost taxpayers billions, payroll fraud hurts honest businesses and exploits workers.); and

WHEREAS craftspeople not covered by workers’ compensation insurance through their employer become the liability of the property owner in the event of an on-the-job injury; and

WHEREAS God’s people are called to do all we can to protect those who are being exploited and misused; therefore be it

RESOLVED that the La Crosse Area Synod, ELCA and its affiliate parishes perform pre-hire interviews in order to refrain from hiring construction contractors and sub-contractors who engage in payroll fraud through worker misclassification.

Submitted by De Soto Lutheran Church

(see fact info regarding the above issue on back side)

## **Construction Industry Worker Misclassification/Payroll Fraud Facts**

Many construction contractors treat their workers (installers) very well by providing a living wage, health insurance and pension benefits, along with paying their share of payroll taxes, unemployment insurance, and providing workers compensation insurance. ***However, more and more construction contractors decide not to provide any of these normal costs of doing business, instead choosing to misclassify their installers as “independent contractors.”*** Workers are paid cash or off the books to evade basic payroll taxes and insurance benefits, of which all installers are entitled. It appears to be a decision based solely on cutting costs, even though this business plan is against the law and amounts to Payroll Fraud through Worker Misclassification.

Aside from this business practice being illegal, it inherently exploits installers by not providing the basic benefits all workers are entitled to: unemployment insurance benefits and workers compensation insurance. It also creates unsafe working conditions by not investing in “on the job” Safety Training. Installers who are not covered by these basic benefits are forced to take very high risks at work. In these instances, unknowing property owners are also being put at high risk.

If a non-covered installer is injured on the job, he generally will not seek treatment since he does not have workers compensation, and chances are is without health insurance. ***The property owner automatically becomes liable for any job injury loss not covered by a contractor’s workers compensation insurance.***

While the epidemic of Construction Worker Misclassification is more prevalent in larger metropolitan areas, the La Crosse Craftspeople Union is uncovering more and more cases of suspected Worker Misclassification in our greater La Crosse area. While the majority of workers being exploited install metal and wood framing and drywall, many floor installers are also being exploited.

It is highly recommended you visit [www.RespectTheCraft.org](http://www.RespectTheCraft.org) and page down to view the short video that describes the problem. Provocative testimonials are given by Minnesota Attorney General Lori Swanson, the Rev. Doug Mork, Cross of Glory Lutheran Church, Minneapolis, and actual exploited installers. The website also provides a more detailed description of what Payroll Fraud looks like, a spot to take the Pledge to end Payroll Fraud, and a spot to report suspected Payroll Fraud.

Yours in Christ,

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