SECURITY MANAGEMENT  
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AFFILIATIONS

Question 1: Why do employers avoid liability? Explain with legal arguments?

Answer: Independent contractors are the ones that provide goods, services or assistance under a certain contract with a firm or an individual. Independent contractors are not considered as employees and don’t work regularly. But if there is an agreement in place with a firm then under certain requirements, the individual has to report.

The general rule that distinguishes an independent contractor from an employee is that in case of the independent contractor, the payer has only control over the result and not on the way a process should be done. There is a difference in how employees and independent contractors are treated and that is the main reason why employers avoid any liability with independent contractors. The new internal revenue code 199A which was introduced in 2017, requires that independent contractors who make less than $315,000 can qualify for 20 percent tax deduction (Gassman, n.d.). This is however not the case for employees and the 20 percent rule doesn’t apply on them. The reason that independent contractors are being hired is because they are not obliged under any benefits or employment taxes. Under the employment, contract companies are obliged to give employment insurances, housing benefits, and pensions, but if a company hire an independent contractor then all of these can be saved. Companies can get the same or sometimes even better service with relatively less money because of no add-on costs. Independent contractors usually use their own space and materials so office cost is reduced as well. Employers are also not responsible for any insurances and injuries that occur during job and they are the responsibility of independent contractor. Generally hiring an independent contractor can save up to 30-40 percent of labor cost. Independent contractors are usually appointed for a specific time and the employer is not obliged to rehire him after that period. Exposure to lawsuits is also reduced by hiring an independent contractor as having more legal rights also means more chances of violations of those rights. Employers usually get rid of overtime compensation, worrying about potential discrimination, or any other potential lawsuit on termination.

Financial benefits are there but there are some clear disadvantages as well. It is a crime under the Internal Revenue Service to register anyone as an independent contractor who is in actuality a permanent employee. This can lead to audit from federal agencies because the government and internal revenue service want to see more people as employers so that they can generate more money through taxation. These investigations can lead to paying back all the taxes with additional interests, huge fines and even filing of lawsuits. An employer can also draw the attention of the state's unemployment compensation agency if an independent contractor applies for benefits.

Question 2: Why do security firms have so many problems with lawsuits relating to the conduct of their employees?

Answer: Lawsuits related to the conduct of employees on security firms is down to improper training and information sharing with employees about consequences. Guards qualification and lack of proper assessment in training are also the reasons that can lead to filing of a lawsuit later on. It is also due to lack of proper implementation of policies regarding safe work environment. Mostly lawsuits filed on security firms are the violation of civil rights. The increase in the reliance on security personnel to assist them in controlling discipline and prevent workplace violence also means that the chance of misbehaving of these security personnel also increases. Also, since the security firms are mostly responsible for the conduct of their employers, the employees themselves don’t care much about the consequences. To prevent these things from happening, the employee which is responsible for misbehaving and showing bad conduct should also be held responsible if a lawsuit is filed.

**References**

Gassman, A. (n.d.). What Is an Independent Contractor? Here’s Why It Matters Under the Trump Tax Law. Retrieved September 23, 2019, from Forbes website: https://www.forbes.com/sites/alangassman/2018/10/05/what-is-an-independent-contractor/