



WEBINARS

CONTINGENT WORKFORCE
STRATEGIES COUNCIL



How to Mitigate Compliance Risks in Your Contingent Workforce

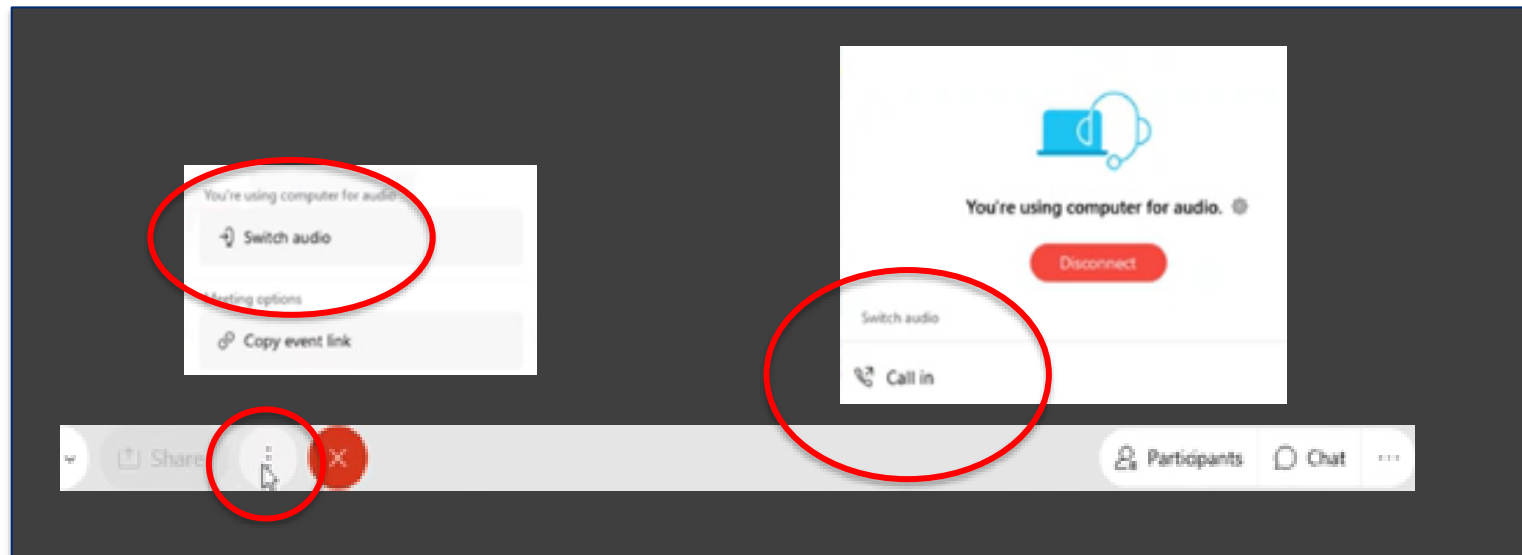
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July 27, 2023

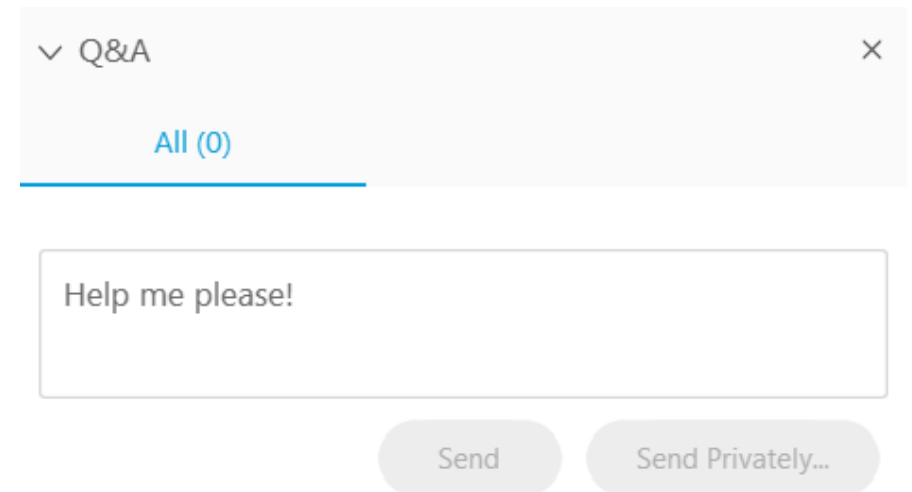
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Q&A ×

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Help me please!

Send Send Privately...

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CWS Council (partial list)



Today's speakers:



- **Fiona Coombe,**
Director, Legal &
Regulatory Research,
SIA



- **Melissa Whitney,**
Director, Solution
Design, Beeline



- **Steve Mills,**
Relationship
Management, Beeline



Moderator

- **Frank Enriquez,**
Director CWS, SIA

What do we mean by “compliance” and “risk”?

- “Anything that threatens a company’s ability to achieve its financial goals is considered a business risk.” - *Investopedia*
- Compliance means adhering to a set of rules, such as policies, standards, specifications, laws or regulations.

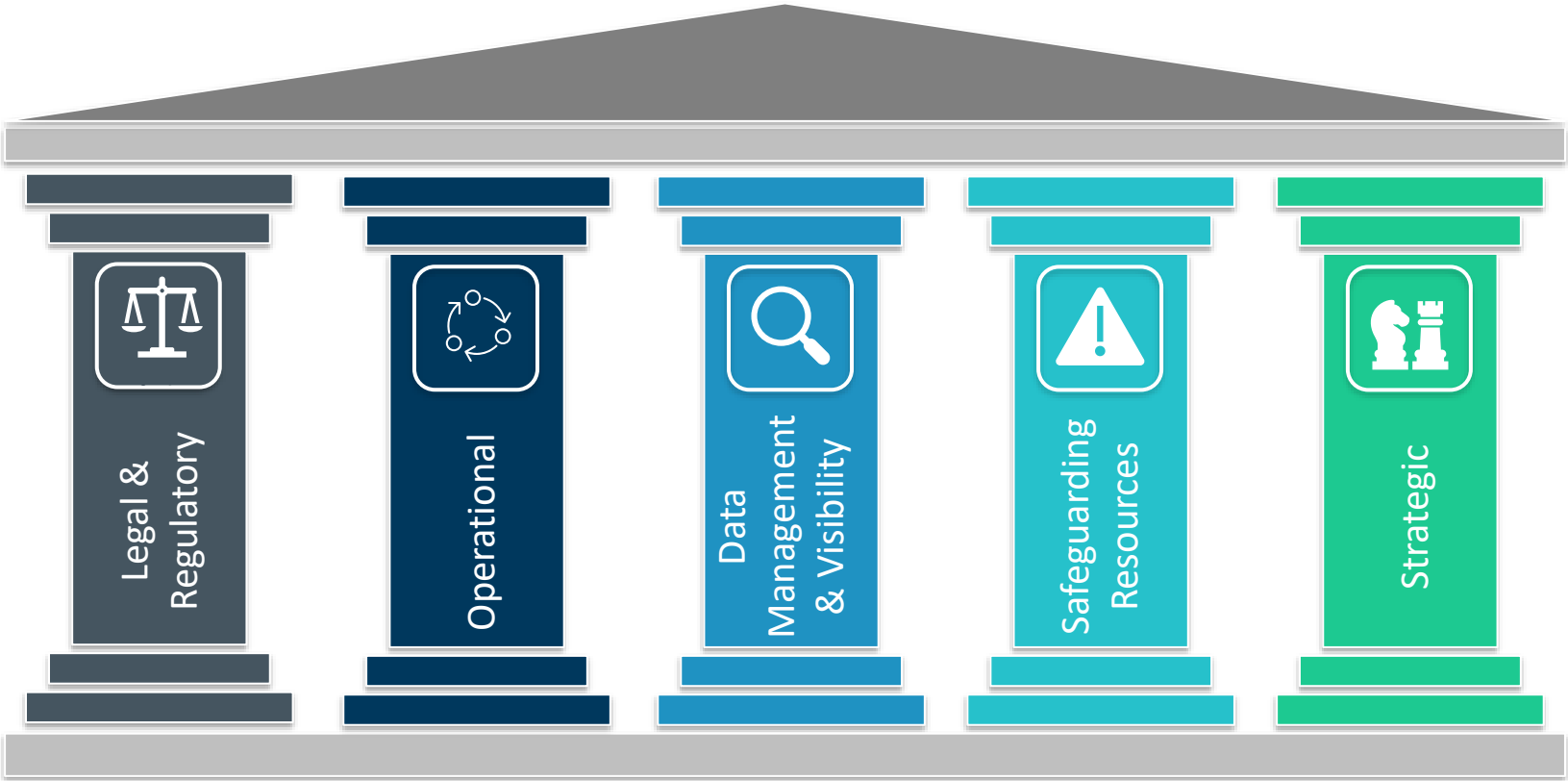
In some cases, compliance is mandatory. In others it is voluntary. Organizations choose to comply to avoid penalties, to improve business operations, and to boost their competitive advantage.

Polling question #1

How aware are you of the types of risks associated with managing a Contingent Workforce program?

- A. Very aware. We know all the risks our program faces.
- B. Moderately aware. We have a pretty good understanding of the risks we must deal with.
- C. Somewhat aware. It would be good to learn more to be sure.
- D. Unaware. Risk is an area we need to study in more detail.

Risk Categories

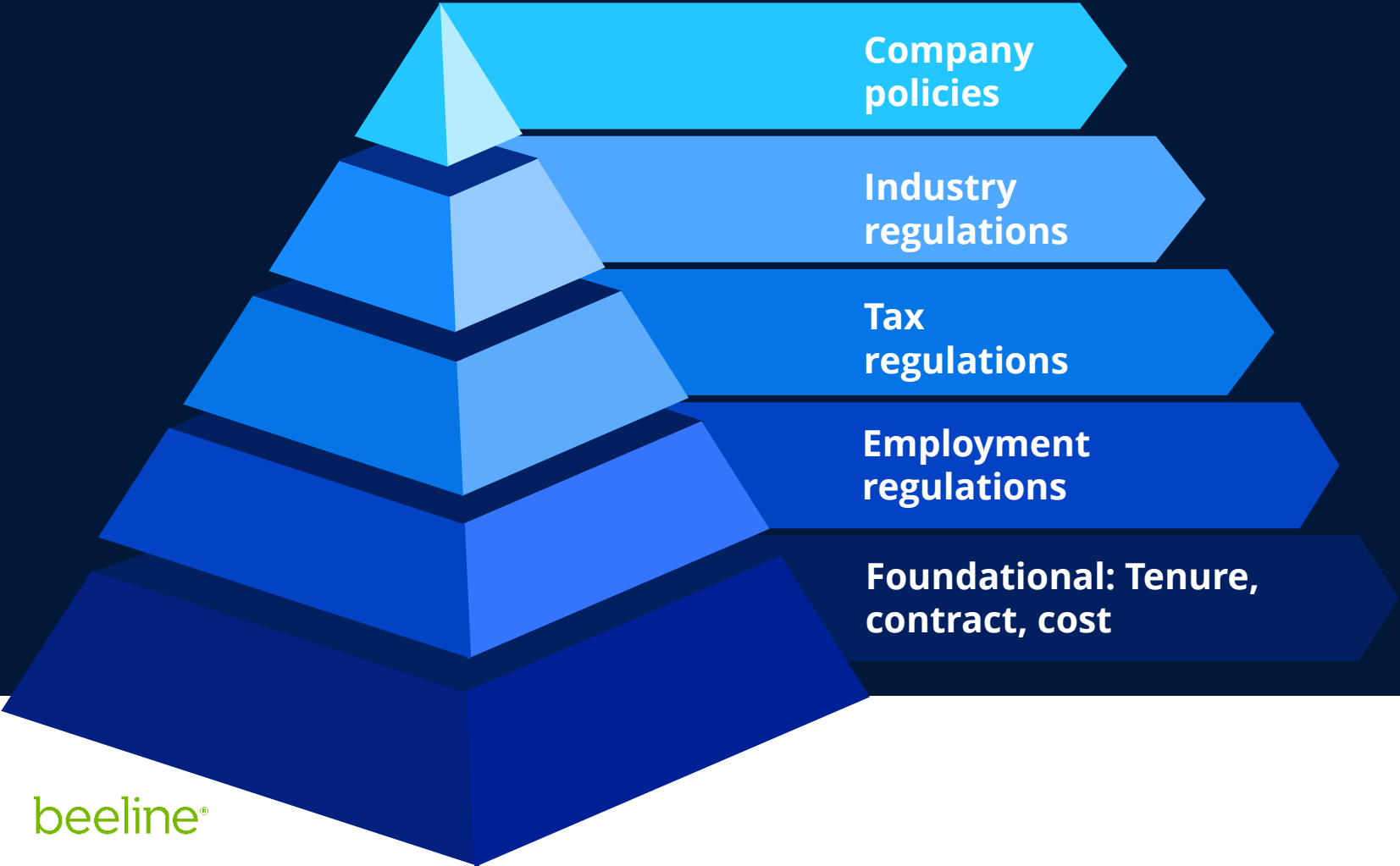


Polling question #2

If you have policies in place to protect against these risks, are you in compliance with these policies?

- A. Yes. We have very strict compliance procedures as well as audits to ensure that we comply.
- B. Somewhat. We are strict about compliance in some areas, but not in all.
- C. Not really. We should take steps to put policies in place and ensure compliance.

Compliance hierarchy



Legal compliance is complex



United States

Key legislation relating to independent contractor classification includes:

- U.S. Tax Code (federal income tax withholding)
- FLSA (Fair Labor Standards Act – minimum wage and overtime)
- FMLA (Family and Medical Leave Act)
- ERISA (Employee Retirement Income Security Act)
- State Workers' Compensation Laws/Agencies
- State Income Tax Withholding
- Federal Anti-Discrimination Laws (Title VII, ADA, etc.)
- State and Local Anti-Discrimination Laws
- NLRA (National Labor Relations Act)
- IRCA (Immigration Reform and Control Act).



United Kingdom (UK)

The government has introduced changes to IR35 to improve its effectiveness in cracking down on “off-payroll” working in the public and private sectors.



France

If an independent contractor is misclassified and works in a subordinate capacity to the organization that he/she is contracted to work with, the contractor may be deemed a permanent employee of the user enterprise with an indefinite-term employment contract.



Germany

Simply saying in a contract that a worker is an independent contractor in Germany carries no weight at all. Companies must take great care in establishing the criteria and processes necessary to properly classify independent contractors.

Protection of personal data

- Pandemic and remote working have shown the value of access to non-employees' personal data
- Must be collected and managed in ways that protect personal data and avoid co-employment
- There is a safe way to collect personal data of contingent workers



How to assess & manage risk

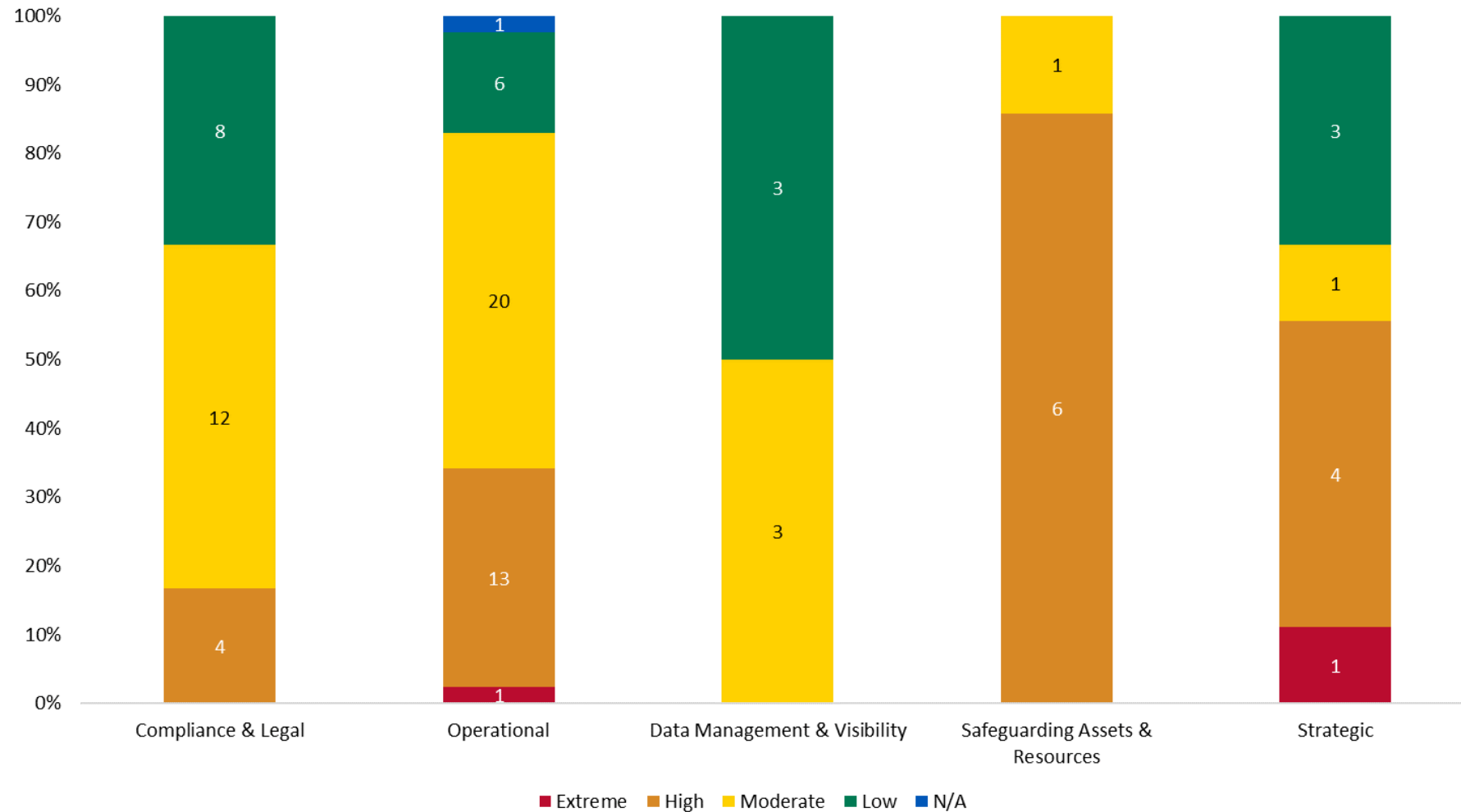


SIA Risk Assessment Matrix (5X5)

SIA Risk Assessment Matrix

Probability	Almost Certain	Moderate	High	High	Extreme	Extreme
	Likely	Moderate	Moderate	High	High	Extreme
	Possible	Low	Moderate	Moderate	High	High
	Unlikely	Low	Low	Moderate	Moderate	High
	Rare	Low	Low	Low	Moderate	Moderate
		Insignificant	Minor	Moderate	Major	Critical
		Impact				

Sample Risk Assessment by Category



Contingent Workforce Management's (CWM's) role & responsibility for managing risk & compliance



It is not CWM's job to determine which risks the company is willing to accept.

CWM's job is to:

- Ensure the program complies with all laws, regulations, and policies concerning the contingent workforce
- Maintain a record of compliance in case of audit, inspection, or review
- Not knowing is not an excuse

Visibility



Goal is not to be the Compliance Police

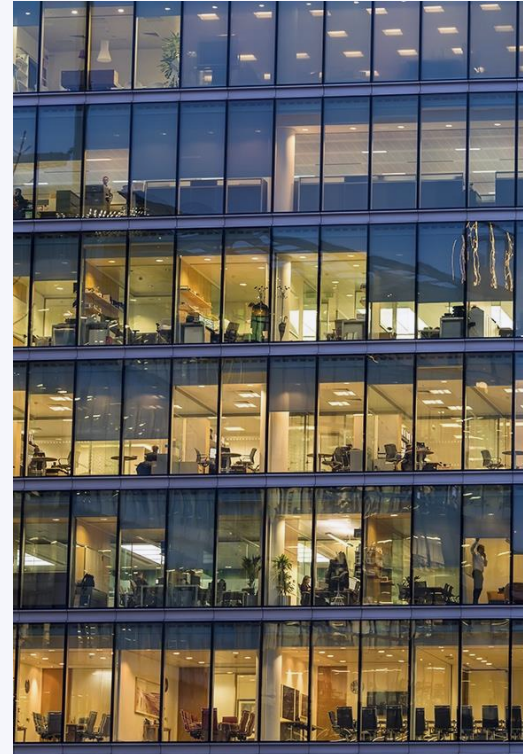


Goal is to shine a light where there could be risk and remove the friction from implementing compliance procedures



Strategic workforce planning

- Human capital is most companies' largest operational expense
- In 2023, nearly 50% of most companies' human capital are non-employees
- Procurement controls most companies' non-employee workforce spend
- Therefore, HR and Procurement must be more closely aligned in strategic workforce planning



50%

of most companies'
human capital are non-
employees

Where
should I
start?

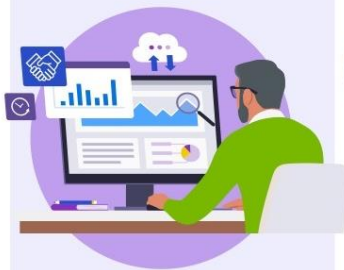


Global Workforce Intelligence

Total workforce visibility



VMS
Vendor
Management
System



Contingent workers,
contractors, BPO,
and SOW workers



HCM
Human Capital
Management



Full and part-time
employees



P2P
Procure to Pay



Workers associated
with contracts



Other
Home-grown
systems,
spreadsheets,
databases, etc.



Freelancers,
alumni, other
talent pools, etc.

Unlock total
workforce data
and compliance

For more information

Download a complementary copy of our fact sheet today at <https://bit.ly/3Q4IA62>

beeline® Global Workforce Intelligence

We've made total talent compliance a reality.

Visibility, Compliance, and Control over your entire workforce

- Proactive Risk identification to ensure your workforce is audit ready at all times
- Gain real-time visibility of your total workforce by classification, organization structure, location and more
- Source with confidence - empower your teams with decision guidance that maintains compliance

Drive greater extended workforce compliance, and reduce your company's risk exposure - all without disrupting the workflows of your current extended workforce management program.

With Global Workforce Intelligence you can see and compare data from your entire workforce - employees and non-employees - all in one platform.

What our clients are saying:

Procurement and HR Alignment

"We now think about talent more proactively to strategically consider what we need to get work done...expanding visibility for all populations, for cohesive strategic thinking."

- Leading Cyber Security Corporation

Scalable Right-Size Sourcing

"Global Workforce Intelligence helps us take advantage of the increase in new flexible talent (nearly half of the total workforce), evolve our program, and do so in a scalable way."

- Global Manufacturer

Reduced Costs

"We gained total visibility of all classifications of workers linked to the organizational hierarchy and significantly reduced HCM and third-party system costs."

- Life Sciences Company

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Time for your questions...



Key Takeaways

- Compliance & risk are complex
- It is important to be able to identify and manage risk
- Contingent Workforce Management has responsibility
- If you can't see it, you can't manage it
- Unmanaged risk can have a trickle-down effect
- Technology can play an important role to manage and mitigate risk

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SIA MEMBER RESOURCES



- [CW Program Business Case Template](#)
- [The Global Gig Economy - 2022 Edition](#)
- [Best Practices in Contingent Diversity, Equity & Inclusion](#)
- [Direct Sourcing Best Practices](#)
- [MSP Global Landscape and Differentiators 2022](#)
- [VMS Global Landscape & Differentiators 2022](#)
- [Lexicon of Global Workforce-Related Terms](#) (complimentary)
- [Employer of Record and Independent Contractor Evaluation and Compliance Landscape 2023](#)
- [Independent Contractor and Employer of Record Compliance: Global Legal Overview](#)

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Known for our award-winning content, data, support tools, publications, executive conferences and events, we help both suppliers and buyers of workforce solutions make better-informed decisions that improve business results and minimize risk. As a division of the international business media company, Crain Communications Inc., SIA is headquartered in Mountain View, California, with offices in London, England.

For more information: www.staffingindustry.com

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