



FOR IMMEDIATE RELEASE:
February 17, 2010

CONTACT: Jennifer Brown
(614) 839-4897 ext. 105 or
Barbara Wayman, APR
(614) 766-6878

Portfolio Creative Payroll Services Keep Clients in IRS Compliance

(COLUMBUS, OH) – What’s better than finding the right freelancer for your project? There you are with a great fit, excellent skills, someone who comes in on time and takes direction well. All you do is cut them a check – no social security payments, no health insurance, no taxes, minimal fees. Everything works so perfectly that you wind up keeping that person for years. What’s wrong with this picture? A lot, according to the IRS. Companies can get into serious trouble by claiming workers as independent contractors when they are actually more like permanent employees.

Recently federal and state governmental agencies have signaled their intent to more seriously investigate the misclassification of employees as “freelancers” or “contractors.” Given that the federal government lost an estimated \$34.7 billion in tax revenue from 1996 to 2004 due to misclassification, there is motivation for them to enforce existing laws more closely. President Obama’s budget for fiscal 2011 has set aside \$25 million for a “misclassification initiative.” The initiative creates 100 additional enforcement personnel and competitive grants to help states recapture more of those funds.

The Taxpayer Responsibility, Accountability and Consistency Act of 2009 was introduced in Congress last year, which allows independent contractors to petition the IRS to determine their proper classification. If passed, the legislation may increase tax exposure for government-estimated 10 million U.S. businesses that rely heavily on independent contractors. Due to these events, a recent Washington National Tax

Services report stated that 2010 will be the most comprehensive IRS examination of employment tax compliance undertaken since 1984.

Helping companies keep their temporary staffing in compliance has become a featured service for Portfolio Creative, a workforce innovation firm that helps clients identify and tap into the best creative professionals for their needs.

“We know that the differences between employees, temporaries and freelancers can be confusing. Having your worker come in on time, take direction and work for you long-term can all raise red flags because independent contractors make their own hours, use their own equipment, decide on their own how to accomplish results and work short-term engagements,” says Catherine Lang-Cline, co-owner and founder of Portfolio Creative. “Unless a company has taken steps to mitigate the risks they might find themselves owing back taxes and benefits for workers they thought were simply temps.”

Portfolio Creative has recently launched a program to raise awareness of their payroll program that allows creative freelance workers to bill their hours in a way that provides them with benefits while protecting clients from compliance hassles. Workers who log 30 hours or more per week are also eligible for the insurance program.

“We’d like to get the word out to companies that by running their creative temporary staffers through us, they are off the hook in terms of benefits, taxes and compliance issues. And for the creative worker, they receive benefits like weekly paychecks, health insurance and paid time off, all for a nominal fee,” said Kristen Harris, Portfolio Creative co-owner and founder. “These are the types of innovative services that we feel can help drive the economy forward.”

An Inc. 500 fastest growing firm, Portfolio Creative offers products and services designed to help companies streamline and innovate their creative work to save time, energy and money. It is Columbus’ 12th fastest growing company, and creates new jobs for workers in the temporary staffing and recruiting industries. Portfolio Creative is based at 3763 N. High Street in Columbus, OH. Clients and creative talent can call (614) 839-4897. More information and resources are posted at www.portfolioiscreative.com.

###