



State of Louisiana
Department of Public Safety and Corrections
Board of Private Security Examiners

June 4, 2026

Employee Classification Requirements for Employees of Private Contract Security Companies

To All Private Security Industry Stakeholders,

We hope this letter finds you well. We are writing to inform company owners on specific requirements for security officers in their employment. Specifically, a company cannot hire a security officer as a 1099 worker. The security officer must be a W-2 employee. Louisiana R.S. 37:3272(A) (18) defines a security officer as “an individual who is employed by a contract security company whether armed or unarmed, to protect a person or persons or property or both...”

The U.S. Department of Labor addresses the difference between 1099 and W-2 workers. According to the final rule on Employee and Independent Contractor Classification Under the Fair Labor Standards Act, RIN 1235-AA43, independent contractors are workers “who, as a matter of economic reality, are not economically dependent on an employer for work and are in business for themselves”. This is in contrast to the Fair Labor Standards Act (FLSA)’s definition of employers, employees, and employ. RIN 1235-AA43 defines “Employer” as “any person acting directly or indirectly in the interest of an employer in relation to an employee,” “employee” as “any individual employed by an employer,” and “employ” as “to include to suffer or permit to work.”

The IRS considers 1099 individuals as independent contractors who are self-employed. More specifically, under IRS definition, a person is *not* an independent contractor if they perform services that can be controlled by an employer (e.g., what will be done and how it will be done). This applies even if the person is given freedom of action. What matters is that the employer has the legal right to control the details of how the services are performed. If an employer-employee relationship exists (regardless of what the relationship is called), then the individual is not an independent contractor but rather an employee whose earnings, benefits, and other deductions must be reported on a W-2 form.

Furthermore, the only subcontractor relationship allowed by the Louisiana Private Contract Security Licensing and Regulatory Law is when one licensed company acts as a subcontractor to another. This is because individuals classified as independent contractors would not be covered under a company’s general liability insurance coverage and thus be liable should they be involved in an incident.

Therefore, all security officers in the state of Louisiana must be employees of private contract security companies pursuant to state and federal laws and rules. Companies who currently have 1099 independent contractors performing private security services must immediately transition their personnel to W-2 employees or provide us in writing a detailed timeline for accomplishing this transition. Failure to inform the board of this timeline or comply with the provisions of this letter may cause a company to be in violation of Louisiana R.S. 37:3282 and Title 46, Chapter 9, §903 of the Louisiana Administrative Code, which may result in fines being issued for a company or LSBPSE taking action to suspend or revoke a company license.

Our primary goal in outlining this policy is to ensure accountability among private contract security companies and the public and, most importantly, protect individuals, companies, and the public should an incident occur. We are committed to working closely with you to ensure these standards are met and maintained.

Thank you for your continued cooperation and dedication to upholding the standards of our industry. Please feel to reach out to us should you have any questions.

Sincerely,



Carl Saizan (Ret. LSP Major)
Executive Director
Louisiana State Board of Private Security Examiners