

INDEPENDENT CONTRACTOR CHECKLIST

IRS CLASSIFICATION FACTOR TABLE		Employee	Contractor
Behavioral Control: The facts show whether or not there is a <u>right</u> to direct and control the details and means by which a worker performs services (regardless of whether or not the right is exercised).			
1. Instructions	Will Your Company have the right to give the worker instructions about when, where, and how he or she is to do the job? (Employees are subject to this type of instruction, but generally independent contractors are not.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Training	Will the worker receive training from the Your Company ? (Employees generally receive training from their employer; independent contractors typically determine their own work methods).	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Financial Control: Assesses a worker's financial independence and risk.			
3. Significant Investment	Has the worker invested in facilities, such as an office or equipment, to perform proposed services? (Employees generally do not personally own or rent an office, shop or equipment.)	<input type="checkbox"/> No	<input type="checkbox"/> Yes
4. Payment of Expenses	Will Your Company pay the worker's business or travel expenses? (Employers pay all expenses for an employee, whereas independent contractors often absorb these expenses and are not paid directly for them.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5. Services Available	Does the worker make his/her services available to other employers? (A worker who provides services for a number of unrelated persons or firms is generally an independent contractor.)	<input type="checkbox"/> No	<input type="checkbox"/> Yes
6. Incremental Payment	Will Your Company pay the worker by the hour, week or month rather than by the job? (Employees are paid by the hour, week or month, whereas independent contractors often charge a flat fee. Notable exceptions might be accountants, attorneys)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
7. Risk of Profit Or Loss	Will the worker bear the risk of making a profit or losing money under this arrangement? (Employees are paid a salary/wage whether or not the company is profitable. Independent contractors may suffer a loss or make a profit depending on the expenses incurred.)	<input type="checkbox"/> No	<input type="checkbox"/> Yes
Relationship of Parties: This examines the overall nature of the relationship including the intent of parties concerning status and control of the worker.			
8. Regular Business Activity	Is the work to be performed part of the regular business of Your Company , such as teaching, research or administration? (In most cases, such duties would be performed by an employee)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
9. Employee Benefits	Will the worker receive any employee benefits? (Independent contractors do not received such benefits as health insurance, workers' compensation coverage, or paid vacation or sick leave.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10. Written Contract	Will a written contract or purchase order be issued, describing the worker as an independent contractor? (Absent such a contract or purchase order, employee status I normally presumed.)	<input type="checkbox"/> No	<input type="checkbox"/> Yes
11. Right to Terminate	Could the worker or Your Company terminate the relationship at any time without incurring liability? (Most independent contractor agreements require at least 30 days' notice for early termination.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
12. Withholding Of Payment	Is Your Company entitled to withhold payment for unsatisfactory work? (Most independent contractor agreements allow this, while employer-employee relationships to not.)	<input type="checkbox"/> No	<input type="checkbox"/> Yes