

Employee or IC?

	Employee	IC
Worker works on-site	X	
Worker works off-site		X
Company provides training	X	
Company supervises worker's job	X	
Company sets work hours	X	
Worker has regular hours	X	
Worker has irregular hours		X
Worker is salaried	X	
Company sets hourly rate	X	
Worker and company have contract		X
Worker receives benefits	X	
Worker can have a profit or loss from job		X
Worker can hire others to complete job		X
Worker and company have long-term relationship	X	
Worker performs only contracted work		X
Worker performs similar projects for other companies		X
Worker works only for company	X	
Worker pays own expenses		X
Company provides tools/equipment	X	
Worker invests in tools/equipment		X

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Dear Reader,

Few choices are as difficult for A/P and hiring managers to make as deciding whether a worker is an employee or an independent contractor (IC). We're sending you this guide to help take the guesswork out of the process.

When classifying workers, IRS looks at three main factors: the amount of control workers have, their financial stake in the work and how they're related to the employer.

With this checklist, you can ensure your company's hiring managers consider all the facts when determining whether a worker is an employee or an IC.

Although it won't give a definitive answer, this checklist will point your company in the right direction. As always, you can file a Form SS-8 with IRS for an official determination.



– *Shane Borer, Editor*

P.S. Turn this card over for the tips and keep it posted near your work area. For more copies, please fax me at (610) 647-8089.