

Independent Contractor or Employee Guidelines

IRS guidelines considered many factors in deciding whether a worker is an Independent Contractor (I.C.) or an employee. Correct classification affects benefits and tax responsibilities. Three main categories guide the employment decision: behavioral, financial, and relationship of the parties. One must consider all the factors listed in the following chart when determining if the relationship is as an Independent Contractor or as an employee.

If you believe the person meets all the factors described below as an Independent Contractor [click here](#). Once reviewed and approved, you will be notified. If the person meets the IRS guidelines, the person will receive an Independent Contractor contract to complete before beginning work. If the person does not meet the IRS guidelines, you will be informed and may choose to hire the person as an employee.

Identifiers	Description	Factors	Contractor	Employee
Behavioral Control	These facts show whether there is a right to direct or control how the worker does the work.	Employer provides instruction to worker: <ul style="list-style-type: none"> • How, when or where to do the work • What tools or equipment to use • What assistants to hire to help • Where to purchase supplies 		X
		Employer provides specific training		X
		Worker typically works on-site		X
		Worker may work off-site	X	
		Employer sets work hours		X
Financial Control	These facts show whether there is a right to direct or control the business part of the work.	Worker is not reimbursed for some or all of the business and mileage expenses.	X	
		Worker is paid by the job based on a negotiated flat rate (not by the hour)	X	
		Worker can realize a profit or incur a loss.	X	
Relationship Control	These are facts that illustrate how the business and the worker perceive their relationship.	Worker continues to work for same employer month after month		X
		Worker does not make his/her services available to the public.		X
		Worker can be released at any time without liability on the employer's part.	X	