



## **Fact Sheet INDEPENDENT CONTRACTOR**

It is critical that you, the business owner, correctly determine whether the individuals providing services are employees or independent contractors. Generally, you must withhold income taxes, withhold and pay Social Security and Medicare taxes, and pay unemployment tax on wages paid to an employee. You do not generally have to withhold or pay any taxes on payments to independent contractors.

In determining whether the person providing service is an employee or an independent contractor, all information that provides evidence of the degree of control and independence must be considered.

Generally, the more “yes” answers you have, the more likely it is that a person is an Independent Contractor.

1. Is the individual working on a discrete project that is limited in time (versus work that is ongoing and integral to the company’s normal business functions)?  
 Yes  No
2. Does the work involve special skills and training not currently possessed by company employees?  
 Yes  No
3. Does the work involve skills and training which the individual already possesses (versus skills for which the individual needs training from the company)?  
 Yes  No
4. Does the individual pay for his/her own business expenses?  
 Yes  No
5. Does the individual pay for his/her own travel?  
 Yes  No
6. Is the individual responsible for his/her own federal and state taxes?  
 Yes  No
7. Does the individual provide the company with invoices for fees (versus time sheets)?  
 Yes  No
8. Does the individual offer his/her services to entities other than the company?  
 Yes  No
9. Is the individual free to accept projects from other entities?  
 Yes  No
10. Does the individual have a distinct occupation?  
 Yes  No
11. Is the individual self-employed?  
 Yes  No

12. Is the individual performing services for the company as part of his/her own independently established business?  
 Yes  No
13. Are the manner and means for achieving the specified results left to the individual's discretion?  
 Yes  No
14. Are the individual's hours, places, order and sequencing of the work left to his/her discretion?  
 Yes  No
15. Is the individual free of extensive supervision, especially in regards to the means and manner of performance?  
 Yes  No
16. Is the work performed at a location separate from the company premises?  
 Yes  No
17. Does the individual have a significant investment in the facilities or equipment which will be used in performing the work (*i.e.*, does s/he provide the necessary tools, equipment and material for the performance of the work)?  
 Yes  No
18. Is the individual permitted to select, direct and pay anyone who will assist in achieving the desired results?  
 Yes  No
19. Is dismissal of the individual premised on some type of failure to comply with an agreement, such as a failure to perform work (versus the individual being subject to "dismissal at any time for any reason")?  
 Yes  No
20. Is there an understood consequence to the individual for quitting prior to the completion of the project?  
 Yes  No
21. Is the individual free to reject additional projects from the company?  
 Yes  No