

## **EMPLOYEE OR INDEPENDENT CONTRACTOR ?**

Currently, the IRS uses a 20-question test to determine the correct classification of an independent contractor or employee.

### **EMPLOYEE - general criteria**

1. someone who has no other customers
2. who is assigned work,
3. given specific work hours,
4. trained to perform an assigned task,
5. used continually by the company, and
6. is given an office

### **INDEPENDENT CONTRACTOR - criteria include**

1. a written contract stating that independent contractors will handle their own taxes
2. independent contractor has investment in assets or training for their businesses
3. contractor has marketing efforts aimed at many businesses or their separate place of business
4. independent contractor has own insurance