

Guidelines for Determining Independent Contractor Status

The hiring contractor must maintain certain documents for each business entity being presented as an Independent Contractor. These documents may include the following:

1. Written contract for each job conducted by the subcontractor
2. Certificates of insurance offering proof of General Liability and Workers' Compensation coverage
3. Business License
4. Federal ID number

Even with all of these documents in place and presented to the auditor, the subcontractor in question may still be considered an uninsured contractor, or an employee. There are several factors used to determine a workers' status:

1. Right to control the manner and means of accomplishing the desired results
2. Right to terminate the relationship at will
3. Whether person performing the service is engaged in a distinct occupation or business
4. The skill required in the particular occupation
5. Whether the work being done is under the employer's direction and control or by a specialist without supervision
6. Whether the person performing the service or the employer supplies the tools, materials, and place of work
7. Whether the person performing the services has the right to hire and terminate others
8. Whether the services are part of the regular business of the employer
9. Method of payment (hour, day, week, job)
10. The length of time for which the person is to perform the services