

Status of Workers

Primary Issues / Test	Employee	Contractor
Control employer exercises over details of work.	Process and details	Final product, quality, timing
Does the service require special/unique skill?	Training provided	Special, unique
Is the service an integral part of the business?	Yes	No, support or special project
Degree of permanence in relationship.	At-will, w/o cause term, long	Contract period, w/ cause term, brief
Source of equipment or materials to do work.	Company provided	Individual provides own
Individual's opportunity for profit or loss.	None, earns a wage	Capital investment
Intent of the parties.	Employment	Contract
Payment of taxes.	Tax withholdings by employer	Self employment tax
Method of payment.	Hourly or salaried	Piece work or per job
Benefits	Paid vacation, sick, ins, pension	None
Location of work	At company location	Independent site

Risk and exposure for classification errors:

Back taxes and interest

Penalties and fines

Back wages, overtime and benefit obligations

Worker's comp and unemployment liabilities

Risk of wrongful termination suits