**Employee vs Independent Contractor**

**Status Determination Worksheet**

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| --- | --- | --- | --- | --- |
| **Relationship Contract Summary** | | | | |
| **Employer Name:** | | **Worker Name:** | | |
| **Anticipated Begin Date:** | | **Anticipated End Date:** | | |
| **Scope of the Work to be Performed:** | | | | |
| **Skills Needed to Perform the Job:** | | | | |
| **Method of Compensation:** | | | | |
|  | | | | |
| **#** | **The IRS 20-Point Control Factor Test** | | **Who Controls?** | |
| Employer | Worker |
|  | | | | |
| **Behavioral Control Factors** | | | | |
| 1 | Instructions – whether the worker must obey employer instructions about when how the job is to be performed. | |  |  |
| 2 | Training – An employee receives training on how to perform the job; an Independent contractor comes fully trained. | |  |  |
| 3 | Services Rendered Personally – Does the employer require that the services be performed personally by the worker or can the worker delegate the task | |  |  |
| 4 | Hiring, Supervising, and Paying Assistants – Who hires, supervises and pays the assistants that help the worker get the job done? | |  |  |
| 5 | Continuing Relationship – is there an ongoing and continuous relationship between the worker and the employer (even if it is frequent but irregular intervals) | |  |  |
| 6 | Set Hours of Work – independent contractors typically set their own hours, employees are given set hours to work. | |  |  |
| 7 | Full Time Required – Does the worker have the freedom to accept or reject a job offered by the company? An independent contract is free to accept other jobs. | |  |  |
| 8 | Place of Business – An independent contractor possesses his or her own place of business that is separate from the company’s. | |  |  |
| 9 | Order or Sequence Set – who prioritizes the work or the sequencing of the work to be performed? | |  |  |
| 10 | Reporting to Employer – Employees are usually required to report to the employer daily; who controls the manner and tempo of the reporting? | |  |  |
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| **Financial Control Factors** | | | | |
| 11 | Method of Payment – Employees get paid hourly, daily or weekly at the same rate/intervals; Independent Contractors get paid by aspects of the job or total project. | |  |  |
| 12 | Business Expenses – Independent Contractors typically pay for their own expenses, including travel; while Employers typically reimburse Employees. | |  |  |
| 13 | Furnishing of Tools and Materials - Who pays for the tools, materials, office and other equipment? | |  |  |
| 14 | Significant Investment – The larger the worker’s own investment into his or her business, the more likely they are to be an independent contractor. | |  |  |
| 15 | Realization of Profit or Loss – An employee typically bears no liability for business expenses; while an independent contractor is capable of realizing a profit as well as suffering a loss. | |  |  |
|  | | | | |
| **Relationship Control Factors** | | | | |
| 16 | Non-Exclusive Employment – Does the worker perform the service for multiple unrelated business entities, or is the worker under the control of the employer? | |  |  |
| 17 | Services Offered to the General Public – Does the worker hold themselves out or advertise to the general public as a service provider? | |  |  |
| 18 | Integration vs Incidental to Operations – An employee performs services that are integral to the operations of the employer; while an independent contractor performs services that are incidental to the employer. | |  |  |
| 19 | Right to Discharge – While an employer may fire an employee; independent contractors typically have a notice requirement prior to termination of the contract. | |  |  |
| 20 | Right to Terminate – While an employee can quit their at-will employment at any time; an independent contractor typically cannot simply walk away without breaching an agreement. | |  |  |
|  | **Tally (Count the Check Marks)** | |  |  |

While there is no exact formula to arriving at a conclusion of employee vs independent contractor status; the awareness and the exercise of going through these factors will be helpful at making that conclusion. If you have a unique situation that you would like to talk through, call or text me for a free consult at (954)445-5503.

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