

The 20 factors indicating whether an individual is an employee or independent contractor are as follows:

(1) Instructions

An employee must comply with instructions about when, where, and how to work. Even if no instructions are given, the control factor is present if the employer has the right to control how the work results are achieved.

(2) Training

An employee may be trained to perform services in a particular manner. Independent contractors ordinarily use their own methods and receive no training from the purchasers of their services.

(3) Integration

An employee's services are usually integrated into the business operations because the services are important to the success or continuation of the business. This shows that the employee is subject to direction and control.

(4) Services Rendered Personally

An employee renders services personally. This shows that the employer is interested in the methods as well as the results.

(5) Hiring Assistants

An employee works for an employer who hires, supervises, and pays workers. An independent contractor can hire, supervise, and pay assistants under a contract that requires him to provide materials and labor and to be responsible only for the results.

(6) Continuing Relationship

An employee generally has a continuing relationship with an employer. A continuing relationship may exist even if work is performed at recurring although irregular intervals.

(7) Set Hours of Work

An employee usually has set hours of work established by an employer. An independent contractor generally can set her own work hours.

(8) Full-time Required

An employee may be required to work or be available full-time. This indicates control by the employer. An independent contractor can work when and for whom he chooses.

(9) Work Done on Premises

An employee usually works on the premises of an employer or works on a route or at a location designated by an employer.

OBSERVATION: Factors 7, 8, and 9 may have become of less importance in view of computers and the internet that allow workers to perform just as well, and maybe even better, away from the

workplace.

(10) Order or Sequence Set

An employee may be required to perform services in the order or sequence set by an employer. This shows that the employee is subject to direction and control.

(11) Reports

An employee may be required to submit reports to an employer. This shows that the employer maintains a degree of control.

(12) Payments

An employee is generally paid by the hour, week, or month. An independent contractor is usually paid by the job or on a straight commission.

(13) Expenses

An employee's business and travel expenses are generally paid by an employer. This shows that the employee is subject to regulation and control.

(14) Tools and Materials

An employee is normally furnished significant tools, materials, and other equipment by an employer.

(15) Investment

An independent contractor has a significant investment in the facilities she uses in performing services for someone else.

(16) Profit or Loss

An independent contractor can make a profit or suffer a loss.

(17) Works for More Than One Person or Firm

An independent contractor is generally free to provide his services to two or more unrelated persons or firms at the same time.

(18) Offers Services to the General Public

An independent contractor makes his services available to the general public.

(19) Right to Fire

An employee can be fired by an employer. An independent contractor cannot be fired so long as he produces a result that meets the specifications of the contract.

(20) Right to Quit

An employee can quit her job at any time without incurring liability. An independent contractor usually agrees to complete a specific job and is responsible for its satisfactory completion or is legally obligated to make good for failure to complete it