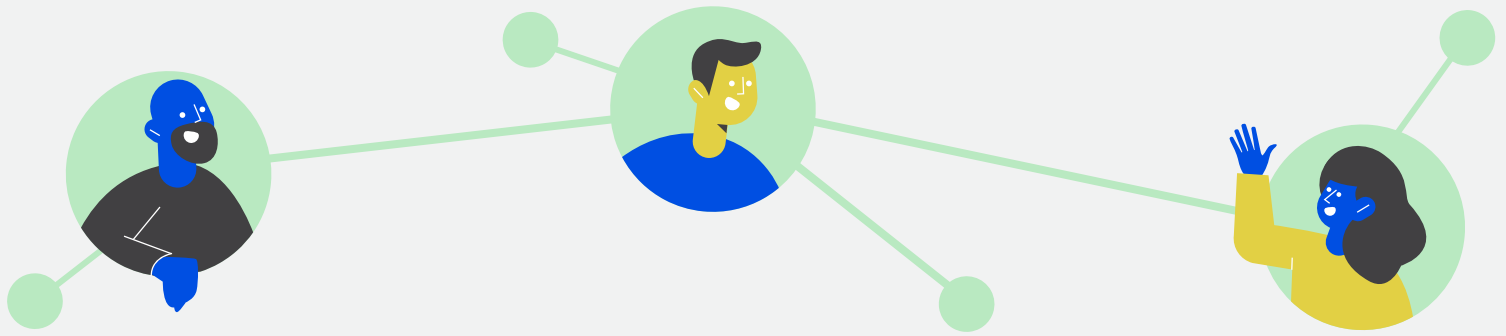


Avoid Misclassification: Understand Independent Contractors

The best way to avoid misclassifying workers is to understand the defining characteristics of independent contractors—and then treat them as such. Use this info-graphic to help you identify independent contractors and understand how they are different than employees.

Independent Contractor Checklist:

Use this list to help determine if you or the person who does work for your business should be considered an independent contractor.



- Pays self-employment taxes (Social Security and Medicare)
- Controls when, how and where the work is done
- Negotiates rates on a per-job basis
- Uses own tools and equipment to perform the work
- Does not receive overtime pay
- Works on a profit/loss basis
- Does not receive employee benefits
- Is trained in their profession
- Can work with many employers at one time (different clients)

Defining an independent contractor

The IRS says an individual is an independent contractor if the payer (employer) has the right to control or direct only the result of the work, not what will be done and how it will be done.

Unlike independent contractors, employees are protected by various employment laws, including;

- Fair Labor Standards Act (FLSA)
- Family and Medical Leave Act (FMLA)
- Occupational Safety and Health Act (OSHA)
- American with Disabilities Act (ADA)
- Unemployment compensation
- Workers compensation

130+ million US workers are protected by the FLSA



57.3 million people freelanced in 2017



1 in 5 jobs is a contracting job in the US