

THE IRS' 20-FACTOR TEST

For years, the IRS has relied on this 20-factor test to determine whether a worker is considered an employee or an independent contractor.

The more questions you answer "no," the easier it is to prove that the worker is a bona fide contractor.

1. Did you train the worker to perform the services for you?
2. Did you give the worker instructions on where, when and how the work is to be performed?
3. Is the worker protected from losing money as a result of providing services to your company?
4. Is the worker prohibited from providing services to the public at large?
5. Do you pay for the worker's business expenses?
6. Does the worker provide services to your company on an ongoing basis?
7. Do you pay the worker by the week, month or hour?
8. Are the services the worker provides essential to running the company?
9. Do you establish work hours for the worker?
10. Does the worker provide services on a full-time basis for your company?
11. Does the worker provide services at your company's facility?
12. Do you provide equipment, tools or other supplies to the worker?
13. Have you purchased equipment, tools or other supplies for the worker?
14. Is the worker responsible for completing progress reports to your company?
15. Do you prohibit the worker from delegating tasks to others?
16. Is the worker prohibited from hiring assistants?
17. Does the worker provide services exclusively for your company?
18. Can the worker terminate the relationship with your company without penalty?
19. Is your company able to fire the worker at will?
20. Does your company control the order and the way in which the work is done by the worker?