South Puget Sound
COMMUNITY COLLEGE

# Employee vs. Independent Contractor Checklist

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*Contractor's Name*

When contracting for services, you **must** evaluate whether the **Internal Revenue Service (IRS)** would consider the person providing the services an **independent contractor** or a **South Puget South Community College employee**. There are financial consequences to SPSCC if the IRS determines that SPSCC misclassified a service provider.

An **independent contractor** is a person or business entity which:

- is free from SPSCC's immediate direction and control in their performance of the services
- is responsible to SPSCC only for the contracted result of the work, not the manner or method used to accomplish the work
- solely controls and directs how the service is provided, who provides it, and the means used to provide the service
- sets his/her own prices for goods and fees for service
- can terminate contract while not terminating his/her business
- can terminate contract while not creating an unemployment situation
- uses advertising to promote their business
- provides goods and/or services to a segment general public of their own choosing

When contracting for services you should use the following checklist, which compares an **employee characteristics** with those of an **independent contractor**. After completing the checklist have the form signed by the Dean or Director of your department and forward to the Procurement Office.

| EMPLOYEE | INDEPENDENT CONTRACTOR |
|---|---|
| ☐ Directed and controlled by SPSCC | ☐ Independent |
| ☐ Does tasks in the manner SPSCC requests | ☐ Does tasks in his/her own way |
| ☐ Does not have a financial investment in the work they are providing for SPSCC | ☐ Assumes the costs associated with doing the work for SPSCC |
| ☐ SPSCC provides tools, equipment, and skills training | ☐ Comes to the job with required tools, equipment, skills |
| ☐ The individual works under SPSCC's business license | ☐ The individual obtains his or her own business license |
| ☐ Often receives benefits beyond payment for service (retirement and health plans) | ☐ Receives only payment for service |
| ☐ Receives a net check. SPSCC withholds income tax and FICA taxes | ☐ Receives a gross amount check. Pays own taxes. |
| ☐ Works at SPSCC's place of business | ☐ Works at his/her own office or home |
| ☐ Works the hours set by SPSCC | ☐ Sets his/her own hours |
| ☐ Works only for SPSCC | ☐ Provides services to multiple entities |
| ☐ Does not advertise | ☐ Has customers as a result of advertising and being known by the public as a business |
| ☐ Eligible for workers' compensation benefits | ☐ Not covered by SPSCC's workers' compensation |
| ☐ Has some rights prior to termination | ☐ No rights prior to termination unless contracted |
| ☐ Covered by minimum wage and overtime rules | ☐ Paid as contracted; no overtime |
| ☐ May join or form a union | ☐ No right to union representation |

If you need help making a determination, please contact Procurement Services by email a vsherrard-hannon@spscc.edu or by phone at 360.596.5249.

If it is determined that the relationship you are considering falls into the Employer/Employee category, you must contact Human Resources by email at ssoto@spscc.edu or by phone at 360.596.5361 to determine the appropriate mechanism for hiring the individual.

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Dean or Designated Approver's Printed

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Dean or Designated Approver's Signature Date