

Employer versus Contractor Relationship

Guidelines for determining a business relationship or an employer-employee relationship include four main areas including control, ownership of tools, chance of profit/risk of loss, and integration.

Control

- Who decides how much the worker is paid?
- Who is responsible for planning the work to be done?
- Who decides on timeframes?
- Who decides on the hours of work?
- Who decides on the work location?
- Who assigns individual tasks?
- Who supervises the work?
- Who sets the standards to be met in the work?
- Who is responsible for training?
- Who hires helpers?
- Who decides on reporting?

If you answered "X Club" to most of these questions, an employer – employee relationship likely exists.

Ownership of Tools

- Who supplies the equipment needed to do the work?
- Who covers equipment maintenance costs?
- Who supplies the materials used?
- Who has invested in the tools and materials?

If you answered "X Club" to most of these questions, an employer – employee relationship likely exists.

Chance of Profit/Risk of Loss

- Who covers the cost of damage to equipment?
- Who covers the costs of liability insurance?
- Who covers the office expenses?
- Who covers the costs related to bad debts?
- Who assumes the responsibility for guarantees of service?
- Who guarantees the quality of the work?
- Who covers the worker's incidental costs?
- Who covers the worker's benefits?

If you answered "X Club" to most of these questions, an employer – employee relationship likely exists.

Integration

- Does the worker integrate their activities into the schedule of the club or organization?
- Does the worker depend on the club or organization's business to remain in business?

If you answered "X Club" to most of these questions, an employer – employee relationship likely exists.