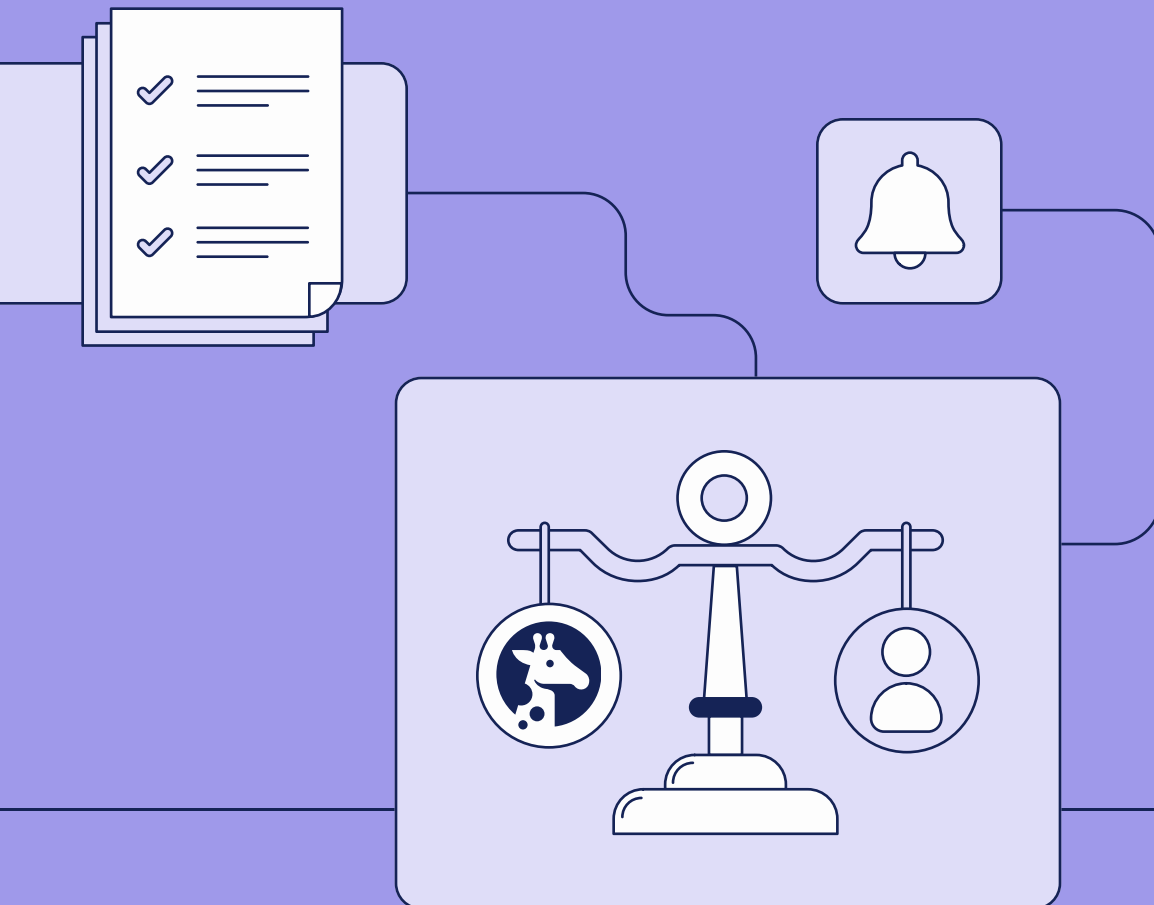




Worker Classification Audit

A quick self-questionnaire that covers
the basics of worker classification



Does your company hire independent contractors? If it does, it's important to understand how to properly qualify whether someone is an independent contractor or a W2.

We've created this self-questionnaire to help you start thinking about the many factors that go into determining worker classification.

1. Who controls how and when the work is done?

Companies normally have expectations around working hours for their employees. By contrast, an independent contractor or freelancer controls how and when the work is performed, provided they deliver outcomes by the agreed upon deadline.

Scheduling alone isn't enough to determine a worker's status since many employers now offer flexible schedules, but when taken along with the other items in this list, it can be a compelling factor.

2. Who provides the necessary equipment for the job?

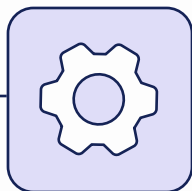
Employees are usually provided with all the necessary equipment to perform the job, and that might include computers, software, phones, or other items.

Independent contractors should supply their own equipment ahead of time and are ready to start work right away, which represents a contributing factor in demonstrating independence from the organization.

3. Does the work affect core operations?

Independent contractors should be used to perform secondary services for the company, and are distanced from core operations. There is some room for interpretation, but companies should ask whether the work being performed is part of the company's core business.

An example could be the hiring of a marketing specialist. If the client is a marketing agency, it's more likely to be looked upon as employment than if that same client were a catering business.



4. How long has the worker done work for the company?

The length of time the company and worker have worked together can also affect how regulators view their status. If the worker works on a permanent basis, they are considered an employee.

However, it is possible for a worker to be brought on initially as an independent contractor, then have that change to an employee status (it doesn't work the other way around, however). A lot of companies start with independent contractors and gradually grow those ad hoc assignments into a full time role.

5. Does the worker possess skills that the company does not already have as part of its workforce?

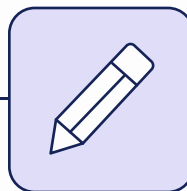
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6. Does the worker work independently from the company?

Control is an important theme to revisit. Independent contractors work independently from the organization, and maintain control over many aspects of the work that employees do not, such as negotiating rates, accepting or declining jobs, or managing timelines.

Additionally, it's not uncommon for independent contractors to advertise their business, maintain their own office space, and simultaneously engage other clients. In fact, an independent contractor must be able to show that they have other clients and that they're not entirely dependent on the company financially.





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