



IRS 20-Point Checklist—Independent Contractor or Employee

Primary Factors	Yes	No
1. Does the service recipient have the right to require compliance with significant instructions?	<input type="checkbox"/>	<input type="checkbox"/>
2. Does the service recipient have the right to set the hours of work?	<input type="checkbox"/>	<input type="checkbox"/>
3. Does the service recipient have the right to set the order or sequence of services to be performed?	<input type="checkbox"/>	<input type="checkbox"/>
4. Does the service recipient have the right to discharge the service provider?	<input type="checkbox"/>	<input type="checkbox"/>
5. Does the service provider have the right to hire, pay and supervise assistants as the nature of the work requires?	<input type="checkbox"/>	<input type="checkbox"/>
6. Does the service provider have no ability to realize a profit or loss?	<input type="checkbox"/>	<input type="checkbox"/>
7. Does the service provider have no investment in significant tools, materials and other equipment when such items are necessary to accomplish the task and are customarily provided by the service provider?	<input type="checkbox"/>	<input type="checkbox"/>
8. Does the service provider have no significant investment in facilities when they are necessary to accomplish the task and they are customarily provided?	<input type="checkbox"/>	<input type="checkbox"/>
 Secondary Factors		
9. Does the service recipient train the service provider?	<input type="checkbox"/>	<input type="checkbox"/>
10. Does the service recipient have the right to require oral or written reports?	<input type="checkbox"/>	<input type="checkbox"/>
11. Does the service recipient pay by the hour, week or month?	<input type="checkbox"/>	<input type="checkbox"/>
12. Does the service recipient pay for business and/or travel expenses?	<input type="checkbox"/>	<input type="checkbox"/>
13. Does the service recipient have the right to require personal service?	<input type="checkbox"/>	<input type="checkbox"/>
14. Does the service provider usually not work for more than one firm at a time?	<input type="checkbox"/>	<input type="checkbox"/>
15. Does the service provider maintain a continuing relationship with the service recipient?	<input type="checkbox"/>	<input type="checkbox"/>
16. Does the service provider devote substantially full time to the service recipient?	<input type="checkbox"/>	<input type="checkbox"/>
17. Does the service provider have the right to terminate the relationship at any time without incurring liability?	<input type="checkbox"/>	<input type="checkbox"/>
18. Is the service provider integrated into the service recipient's business?	<input type="checkbox"/>	<input type="checkbox"/>
19. Does the service provider not make his or her services available to the public on a regular and consistent basis?	<input type="checkbox"/>	<input type="checkbox"/>
20. Does the service provider work only on the service recipient's property or designated location?	<input type="checkbox"/>	<input type="checkbox"/>

Note:

- Yes answer suggests employee status; No answers suggest independent contractor status.
- More weight should be given to the first eight questions than the last twelve.
- If you answered “yes” to any of these 20 questions, proceed with caution. Consult an accountant or tax lawyer who is familiar with the problems raised by hiring individuals as independent contractors.