

INDEPENDENT CONTRACTOR 20-FACTOR TEST

Name of individual being considered: _____ Date: _____

This chart summarizes the 20 factors identified by IRS that are used to determine whether sufficient control is present to establish an employer-employee relationship or an independent contractor-client relationship.

According to the IRS, these factors should be considered guidelines. Not every factor is applicable in every situation, and the degree of importance or “weight” of each factor varies depending on the type of work and individual circumstances. However, all relevant factors are considered by the IRS in probing the relationship; no one factor is decisive.

The IRS traditionally has maintained that it doesn’t matter if a written agreement takes a position with regard to any factors or state that certain factors do not apply, if the *facts* indicate otherwise. A contract designation that the parties are entering into an independent contracting agreement and the service provider is an independent contractor, in and of itself, is never sufficient evidence for determining worker status. So, for tax collection purposes, the IRS appears to have a strong incentive in finding employee status even in instances when the parties enter into a written contract that says otherwise.

Factor	Please review the factors below and check the box by the category in each factor which best describes your worker.	
<u>Instructions</u>	Worker is subject to control of and must comply with Mercer’s significant instructions.	<input type="checkbox"/>
	Worker determines when, where, and how the work is performed.	<input type="checkbox"/>
<u>Training</u>	Worker is required to undergo on-the-job training.	<input type="checkbox"/>
	Worker is already highly skilled and receives no training from Mercer.	<input type="checkbox"/>
<u>Integration</u>	Worker’s services are an integral part of the overall business; worker’s services parallel work done by regular full-time employees.	<input type="checkbox"/>
	Worker’s services are not integral to the success or continuation of the business; worker performs services separate and distinct from work done by regular full-time employees.	<input type="checkbox"/>
<u>Services Rendered</u>	Worker must render the services personally.	<input type="checkbox"/>
	Worker need not render services personally and has helpers.	<input type="checkbox"/>
<u>Hiring/ Supervision</u>	Mercer hires, supervises, and pays workers.	<input type="checkbox"/>
	Worker hires, supervises, and pays helpers under a contract requiring them to provide materials and labor.	<input type="checkbox"/>
<u>Employment Relationship</u>	Continuing relationship between worker and Mercer.	<input type="checkbox"/>
	Relationship exists only until specific project is completed.	<input type="checkbox"/>
<u>Work Hours</u>	Mercer sets work hours.	<input type="checkbox"/>
	Worker sets their own work hours.	<input type="checkbox"/>
<u>Full-time Effort</u>	Worker must devote full-time effort to Mercer.	<input type="checkbox"/>
	Worker determines when and for whom they choose to work.	<input type="checkbox"/>
<u>Location</u>	Work is performed on Mercer premises.	<input type="checkbox"/>
	Work is performed elsewhere.	<input type="checkbox"/>

<u>Order/ Sequence</u>	Mercer sets order or sequence of work performed.	
	Worker follows their own pattern or schedule of work.	
<u>Reports</u>	Worker must submit regular oral or written reports.	
	Regular reports are not required.	
<u>Payment Method</u>	Worker is paid hourly, weekly, or monthly.	
	Worker is paid by the job or by straight commission.	
<u>Expense Reimbursement</u>	Mercer reimburses worker for business or traveling expenses.	
	Worker pays their own expenses.	
<u>Tools and Materials</u>	Mercer provides worker's tools and materials.	
	Worker furnishes their own tools and materials.	
<u>Significant Investment</u>	Worker does not invest in facilities and/or equipment used to provide services.	
	Worker makes significant investment in facilities and/or equipment they use in performing services.	
<u>Profit or Loss</u>	Worker cannot make a profit or loss.	
	Worker can realize a profit or loss under the contract.	
<u>Employed by More than One Firm</u>	Worker provides services to one company.	
	Worker provides services to multiple, unrelated companies at the same time.	
<u>Service Availability</u>	Worker does not regularly make services available to the general public.	
	Worker regularly makes services available to the general public.	
<u>Firing</u>	Worker may be discharged by Mercer at any time.	
	Worker may not be fired if work is produced according to contract specifications.	
<u>Quitting</u>	Each party has the right to terminate the relationship without incurring liability.	
	Worker may terminate the relationship only upon completion of contract or breach of contract by other party.	

Please briefly describe below what your worker will be doing for Mercer University:
