

Worker Classification Checklist

Working with a contingent workforce empowers businesses to grow sustainably without the costs and overhead of a full-time workforce. But it also comes with some risk: worker misclassification.

This checklist aligns with the IRS guidance for determining employee/contractor status. *It isn't a substitute for legal advice but rather a resource to enhance your understanding of worker classification.*

Your worker is most likely an independent contractor if...

- The worker can make a profit or suffer a loss as a result of the work, aside from the money earned from the project **(5 points)**.
- The worker has invested in the equipment and facilities used to do the work **(5 points)**.
- The worker provides services to more than one company at a time **(5 points)**.
- The worker's services are available to the general public **(5 points)**.

If you scored 10 or more, the IRS may classify your worker as an independent contractor.

Your worker is most likely an employee if...

- You instruct the worker about when, where, and how they should work **(2 points)**.
- The worker receives training on-site to get the lacking skills **(2 points)**.
- The worker is expected to deliver work personally **(2 points)**.
- The worker and their services are integrated into the company's structure **(2 points)**.
- The worker has the authority to hire and manage employees on behalf of the company **(2 points)**.
- Your company has a continuous relationship with the worker **(2 points)**.
- The worker follows set work hours **(2 points)**.
- The worker performs a full-time job **(2 points)**.
- The worker must work on your company's premises **(2 points)**.
- The worker performs work in a sequence pre-defined by the company **(2 points)**.
- The worker must provide written or oral reports to the manager **(2 points)**.
- The worker gets paid regularly with consistent amounts of money **(2 points)**.
- You compensate the worker for work travel **(2 points)**.
- You can fire the worker **(2 points)**.
- The worker can quit at any time without liability **(2 points)**.

If you score more than 14, the IRS is most likely to classify your worker as an employee.

Request a free compliance audit with Wingspan to assess your misclassification risks and classify your contractors with increased confidence. To learn more, visit www.wingspan.app.