

WORKER CLASSIFICATION CHECKLIST

The checklist below is to aid employers in classifying workers as employees or independent contractors. Each factor should be independently assessed. **No one factor is determinative.**

<p>1. Control: Do you control when, where and how work is to be done?</p> <p style="text-align: right;"><input type="checkbox"/> yes <input type="checkbox"/> no</p> <p><i>Answer yes, if</i></p> <ul style="list-style-type: none"> • You set the hours of work (either explicitly or by precedent) • You direct the order or sequence in which the work must be done • You require regular written or oral reports <p><i>Answer no, if</i></p> <ul style="list-style-type: none"> • You direct only the result/outcome 	<p><i>Yes = Employee</i> <i>No= Contractor</i></p>
<p>2. Integration: Are the services provided integral to your business?</p> <p style="text-align: right;"><input type="checkbox"/> yes <input type="checkbox"/> no</p> <p><i>Answer yes, if</i></p> <ul style="list-style-type: none"> • The work must be performed at your place of business • The success of your business depends upon the performance by the worker 	<p><i>Yes = Employee</i> <i>No= Contractor</i></p>
<p>3. Continuity: Is the relationship with the worker ongoing or continuing?</p> <p style="text-align: right;"><input type="checkbox"/> yes <input type="checkbox"/> no</p> <p><i>Answer yes, if</i></p> <ul style="list-style-type: none"> • You hire the worker on a recurring basis 	<p><i>Yes = Employee</i> <i>No= Contractor</i></p>
<p>4. Investment: Do you furnish the tools and materials used by the worker?</p> <p style="text-align: right;"><input type="checkbox"/> yes <input type="checkbox"/> no</p> <p><i>Answer no, if</i></p> <ul style="list-style-type: none"> • The worker has a substantial investment in the tools/facilities used for services 	<p><i>Yes = Employee</i> <i>No= Contractor</i></p>
<p>5. Economic Independence: Can the worker independently realize a profit or loss solely depending on his/her own managerial skill?</p> <p style="text-align: right;"><input type="checkbox"/> yes <input type="checkbox"/> no</p> <p><i>Answer yes, if</i></p> <ul style="list-style-type: none"> • The worker makes his/her services available to the general public • The worker is paid a flat fee, lump sum or straight commission • If the worker has a valid business license or is LLC or corporation <p><i>Answer no, if</i></p> <ul style="list-style-type: none"> • You restrict the worker from hiring others to help in performing the services for you (<i>i.e.</i> the worker must personally perform all services) • Pay is by the hour, week or month • You have the right to discharge the worker for any reason • The worker can quit without incurring liability for failure to complete a project • The worker is required to devote full time to your company 	<p><i>Yes =Contractor</i> <i>No= Employee</i></p>
<p>6. Skill: Is a specialized or high degree of skill required for the job?</p> <p style="text-align: right;"><input type="checkbox"/> yes <input type="checkbox"/> no</p> <p><i>Answer yes, if</i></p> <ul style="list-style-type: none"> • The worker has a substantial investment in the tools and facilities used to perform the contracted services <p><i>Answer no, if</i></p> <ul style="list-style-type: none"> • You provide training to enable the worker to perform in a particular method 	<p><i>Yes =Contractor</i> <i>No= Employee</i></p>

For further assistance with worker classification and independent contractor agreements, contact Rodger Kohn at 206-682-5600 or rkohn@tousley.com