**Employee vs Independent Contractor Criteria**

* **Behavioral Control**: Does the hiring entity control or have the right to control what the worker does and how the worker does their job?

 Employee:

* The employer has the **right to direct and control** how, when, and where the work is performed.
* The employer may provide instructions, training, tools, and supervision.
* Example: The worker follows a set schedule, adheres to specific methods, and reports to a manager.

 Independent Contractor:

* The hiring party **does not control** how the work is done. The focus is only on the final result.
* Independent contractors use their own methods, tools, and skills to complete the work.
* Example: A contractor decides how to complete a project without supervision or instructions.
* **Financial Control**: Are the business aspects of the worker’s job controlled by the hiring entity? This includes how the worker is paid, whether expenses are reimbursed, who provides tools/supplies, etc.

 Employee:

* The employer controls the financial aspects of the job, including:
  + Payment structure (e.g., hourly wage or salary).
  + Reimbursement for expenses.
  + Provision of tools, equipment, or resources.
  + The employee does not bear the risk of financial loss.

 Independent Contractor:

* The worker has **significant financial control** and operates like a business:
  + Paid per project or by deliverables (not hourly or salary-based).
  + Responsible for their own expenses, tools, and equipment.
  + Can experience a **profit or loss** depending on their work efficiency.
* **Type of Relationship**: Are there written contracts or employee-type benefits (e.g., pension plan, insurance, vacation pay)? Will the relationship continue, and is the work performed a key aspect of the business?

 Employee:

* The relationship is often ongoing and permanent.
* Employees may receive benefits such as health insurance, retirement plans, and paid time off.
* The work performed is often a key part of the employer’s business operations.

 Independent Contractor:

* The relationship is temporary or project-based.
* The worker does not receive employee benefits.
* Independent contractors often provide services that are not central to the business's core operations

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