

EMPLOYEES OR CONTRACTORS

Workers may be viewed as **employees** if:

1. they are required to comply with your instructions as to when, where and how they are to work;
2. they are required to be trained by an experienced employee to perform the work in a particular manner;
3. the services provided are “necessarily” integrated into your business operations and the continued success of your business depends significantly upon the performance of these services;
4. they are required to render services personally, implying that you are interested in the methods used to accomplish the work;
5. they are hired, supervised and paid directly by you to perform services;
6. they maintain a continuing relationship with you, even if there are times when the work is performed at recurring but irregular intervals;
7. they are required to perform services within set hours of work as established by you;
8. they are “usually” expected to devote full-time to your business, implying that they are restricted from performing services for other businesses, and their services are available to only one employer at a time;
9. they perform services on your premises, especially when the work could be performed somewhere else (this depends upon the nature of the service and the extent to which you require them to perform the work on your premises);
10. they are required to follow the routines and schedules established by you;
11. they are required to submit regular reports to you;
12. they receive payment by the hour, week or month;
13. their business and/or travel expenses are paid by you, indicating that you retain the right to regulate and direct their business activity and they cannot directly realize a profit or suffer a loss as a result of their services;
14. the tools and materials needed to perform the work are provided by you;
15. they lack investment in your facilities, indicating that their dependence is upon you for such facilities in order to perform the work;
16. they perform services for you, or simultaneously for you and other people if the other people are a part of the same service arrangement;
17. you have the right to discharge them and can exercise control on how they perform the work through the threat of discharge;
18. they have the right to terminate their relationship at any time without incurring liability.

You may be using the services of **contractors** if:

1. they have the right to follow their own instructions;
2. they do not require training provided by you;
3. their services are not personally integrated into your business;
4. they are not required to render the services personally;
5. they can hire, supervise and pay their own assistants in order to help accomplish the work, indicating that they are responsible only for attaining a certain result;
6. a continuing relationship is not necessarily assumed to exist;
7. they establish their own hours of work;
8. they are free to work when and for whom they choose;
9. they can perform the work at their own office;
10. they are free to follow their own pattern of work;
11. they are “not necessarily” required to submit regular reports;
12. they receive payment by the job or on straight commission;
13. they generally furnish their own tools and materials;
14. they invest in facilities in order to perform the work, such as rented office space from an unrelated party;
15. they are subject to a real risk of economic loss due to investments, or liability expenses such as salary payments to unrelated employees;
16. they perform services for a multitude of unrelated persons or businesses simultaneously;
17. they cannot be fired so long as they produce results that meet contractual specifications;
18. they can terminate services but only at the risk of, for example, financial loss or breach of contract litigation.



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