

PRIME TAX ACCOUNTING

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ARE YOU A SUBCONTRACTOR OR AN EMPLOYEE?

	PAYER	WORKER	N/A
<u>CONTROL FACTOR:</u>			
Who is responsible for planning the work to be done?			
Who decides how and how much the worker is to be paid?			
Who decides on time frames?			
Who decides how much work is to be done?			
Who decides on the hours of work?			
Who decides on the work location?			
Who assigns the individual tasks?			
Who supervises the tasks?			
Who sets the standards to be met? – Quality			
- Volume			
- Time frame			
Who decides whether work must be redone?			
Who covers the related cost?			
Who is responsible for training?			
Who covers the related costs?			
Who decides on the territory to be covered?			
Who decides on periodic activity reporting?			
Who decides if the work is to be done by the worker himself?			
Who hires helpers?			
<u>OWNERSHIP OF TOOLS FACTOR:</u>			
Who supplies the heavy equipment or covers its rental costs?			
Who covers the equipment maintenance costs?			
Who supplies the specialized tools or covers their rental costs?			
Who supplies the small tools?			
Who covers tool maintenance costs?			
Who supplies the materials?			
Who has invested in the equipment?			
Who has invested in the equipment and tools?			
Who covers the costs of damage to equipment or materials?			
<u>CHANCES OF PROFIT / RISK OF LOSS FACTOR:</u>			
Who covers the costs of liability insurance?			
Who covers office expenses?			
Who covers rental costs?			
Who covers delivery and shipping costs?			
Who covers costs related to bad debts?			

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Who assumes responsibility for ensuring that guarantees relating to materials are honoured?			
Who assumes responsibility for the performance of the work?			
Who guarantees the quality of the work?			
Who covers the costs incurred by the worker in carrying out the work?			
Who covers the costs of the worker's benefits (paid vacation, sick leave, life insurance premiums, etc)?			

INTEGRATION:			
What was the answer to most of the questions related to the control factor?			
What was the answer to most of the questions related to the ownership of tools factor?			
What was the answer to most of the questions related to the chances of profit/risk of loss factor?			

If the majority of your answers were “**payer**”, then you are an **employee**.

If the majority of your answers were “**worker**”, then you are a **subcontractor**.