

"EMPLOYEES VS INDEPENDENT CONTRACTORS: UNDERSTAND THE DIFFERENCE AND SAVE YOUR BUSINESS FROM A COSTLY GOVERNMENT AUDIT"

INDEPENDENT CONTRACTORS

Employ Own Methods

Independent Contractors

Employers may control only the result of the work, not what or how it will be done. Independent Contractors decide how work is performed to complete the project and uses own tools to complete projects



Hire Own Help

Independent Contractors

An independent contractor can hire, supervise and pay his or her own assistants.



Set Own Hours

Independent Contractors

Independent Contractors generally can set their own schedules, while employees are told when and where to work



Exercise Independent Thought

An independent contractor can use judgement and take initiative without consulting the employer

Independent Contractors



Cannot Quit Without Penalty

An independent contractor usually agrees (contracts) to complete a specific job and is responsible for it's satisfactory

Independent Contractors



W-2 EMPLOYEES (DIRECT HIRES)

W-2 Employees

Employer Directs The Employee (Calls the Shots)

Employees must obey instructions from the employer about when, where and how to work. Employer provides all tools/computers



W-2 Employees

Performs All Assigned Tasks

An employee typically renders services for he employer whereas independent contractors may subcontract out their work.



W-2 Employees

Confined By Location

An employee usually works on the premises of, or at a location determined by an employer (office or job site)



W-2 Employees

Belong to The Employer

Employees may be required to work full time and supervised while independent contractors can work when and where they choose.



W-2 Employees

Can Be Fired For Any Reason

An employee can be fired by an employer for any reason at any time.

