

**IRS 20 Factor Test
under Rev. Rul.
87-41, 1987-1 CB
296 for Assessing
Independent
Contractor vs.
Employee Status**

Whether the worker has the right to terminate the relationship at anytime without incurring liability
20. (indicates employee status)

Whether the business entity retains the right to discharge the worker (indicates
19. employee status)

Whether the worker makes his or her service available to the public (indicates contractor
18. status)

Whether the worker provides services for more than one business entity at a time
17. (indicates contractor status)

Whether the worker realizes profit or loss (indicating a contractor (indicates
16. contractor status)

Whether the worker has substantial investment in the facilities of the business entity
15. (indicating a contractor)

Whether the worker supplies his or her own equipment
14. (indicates contractor status)

Whether the worker must pay his or her own business expenses (indicating a contractor (indicates
13. contractor status)

Whether the worker is paid by the hour, week, or month
12. (indicates employee status)

Whether the worker is required to give oral or written reports (indicates employee
11. status)

Whether the company retains the right to require the worker
1. to comply with instructions

Whether the worker's services are essential (indicating an employee) or ancillary (indicates contractor status)
2. to the business

Whether the services must be rendered personally by the
3. worker

Whether the worker can hire, supervise, and pay assistants
4. (indicates contractor status)

Whether a continuing relationship exists between the worker and the business entity (indicates employee
5. status)

Whether the business entity requires the worker to work set hours (indicating an
6. employee status)

Whether the worker is required to devote himself or herself full time to performing services to the business entity
7. (indicates employee status)

Whether the worker is required to work on the business premises (indicates
8. employee status)

Whether the business establishes the order or sequence of work (indicates
9. employee status)

Whether worker performs most of the work using company-provided equipment, tools, and materials (indicates
10. employee status).