



INDEPENDENT CONTRACTOR VS. EMPLOYEE IN PENNSYLVANIA

Considerations

- Does the employer dictate how, when, and where the work is performed?
- Who provides tools, supplies, equipment? Who covers business expenses?
- Has a contract been executed? How permanent is the relationship?
- Is the work integral to the employer's business, or is it a specific project?
- Does the worker perform/offer to perform similar tasks for other employers?
- Are benefits, taxes, and insurance handled by the worker or the employer?

Independent Contractor

- Retains control over work performance; responsible for the result, not the process
- Typically provides own tools, supplies, equipment and covers related expenses
- Works on a project/task basis or for a limited duration
- Responsible for own taxes, insurance, benefits
- May perform/offer to perform similar work as part of a separate and distinct business
- Benefits for contractor:
 - Less liability
 - Easier to end relationship
 - No unemployment compensation

Employee

- Works under the direction/control of the employer during a set work schedule
- Employer typically provides tools, supplies, equipment needed for the job
- Employer covers related business expenses
- Works on various projects/tasks integral to the business
- Employer may provide insurance, benefits
- Employer withholds taxes and provides workers' compensation