

THREE THINGS TO REMEMBER

1. Government agencies – not employers – make the final decision whether a worker is an independent contractor or an employee, based on State and Federal law.
2. Misclassifying workers as independent contractors when they are really employees can expose you to back taxes, penalties, court costs, and other liabilities.
3. If you have a question about worker status issues, you can call the Unemployment Insurance Customer Service Center at 651-296-6141 to talk with a Customer Service Representative.



WHO WE ARE

About Us

Unemployment Insurance provides benefits to workers who become unemployed through no fault of their own. The benefits are funded through a tax paid by employers.

Contact Us

Phone: 651-296-6141

(press 4 to speak to a representative)

Monday-Friday, 8 A.M. to 4:30 P.M.

Web: www.uimn.org

TTY (for the hearing impaired): 1-866-814-1252

This information is available in an alternative format for individuals with disabilities by calling 651-259-7223.

m1 MINNESOTA
UNEMPLOYMENT INSURANCE

DEED is an equal opportunity employer and service provider.

Minnesota Unemployment Insurance Program

P.O. Box 4629

St. Paul, MN 55101-4629

For Informational Purposes Only

DEED-50234 11/2017 00,000

**INDEPENDENT
CONTRACTOR
OR EMPLOYEE?**



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UNEMPLOYMENT INSURANCE

For more information, visit our website at
uimn.org

INDEPENDENT CONTRACTOR OR EMPLOYEE?

In an **EMPLOYER/EMPLOYEE RELATIONSHIP**, we expect:

The business has the right to control the manner in which the services are performed. This includes requiring work be done at specific times.

VS

In an **INDEPENDENT CONTRACTOR RELATIONSHIP**, we expect:

The business's only concern is the end result of the individual's efforts.

The business specifies the methods used to complete the work.

VS

The contractor requires no training.

The employee generally does not have the right to hire a substitute without the business's approval.

VS

The contractor can generally hire a substitute to complete the job without the business's approval as long as the work is completed as specified in the agreement.

The business has the right to discharge the employee without necessarily incurring any legal liability.

VS

The business and contractor are in a binding contract. Failure to complete services may be a breach of contract in which a legal remedy could be pursued by either party.

The business pays the employee in a regular and routine manner for services performed (for example hourly or biweekly).

VS

The contractor is paid by the job, on a bid basis, or by percentage of completion, etc. They have both the ability to make a profit and to sustain a loss.

The business generally provides equipment such as:

- A company car or truck
- Tools
- Materials or supplies

VS

The contractor has a substantial personal investment in the tools and equipment needed to complete the work. They have supply and material costs that are not directly reimbursed by the business.

The business controls where the services are performed.

VS

The contractor has their own place of business and makes their services available to the public on a continuing basis.

