

The 20-Factor Test

The factors (questions) determine a service provider's classification. The questions must be objectively and consistently applied in order to determine the service provider's correct status. If the majority of answers to the 20 questions are "yes", the service provider is more likely an employee. If the majority of answers is "no", the service provider is most likely an independent contractor.

The 20 questions are as follows:

1. Is the service provider directed by the client as to when, where and how the work is to be done?
2. Is the client providing detailed instructions or training to enable the service provider to perform the work in a particular way or manner?
3. Can the service provider perform the work without any risk of direct economic loss to himself/herself?
4. Are the services provided by the service provider an integral part of the client's operations, like those already performed by others within established job classifications (e.g. clerical work, teaching or research)?
5. Must the services be performed specifically by the service provider (rather than someone else employed by the service provider)?
6. Will the client hire, supervise or pay others to help the service provider on the job?
7. Is there a continuing work relationship between the service provider and the client for which the services are being performed?
8. Is the work schedule set by the client?
9. Is the service provider required to devote his/her full time effort to the client for which the work is being performed?
10. Is the work required to be performed at the client's premises, or in specific places designated by the client?
11. Is the sequence of work set by the client?
12. Are regular oral or written reports required to be submitted to the client by the service provider?
13. Is the method of payment based on hourly, weekly or monthly fees (as opposed to commission or by the project/job)?
14. Are business and/or travel expenses reimbursed?
15. Does the client furnish the tools, equipment and materials used by the service provider?
16. Can the service provider perform the work without making or having made any investment in equipment or facilities?
17. Does the service provider perform services exclusively for the client rather than working for a number of companies at the same time?
18. Does the service provider not make his/her services regularly available to the general public or businesses other than the client?
19. Is the service provider subject to dismissal for reasons other than non-performance of contract specifications?
20. Can the service provider end his/her working relationship with the client at any time?

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