

SS-8 Determination—Determination for Public Inspection

Occupation

03PMW Repair/Maintenance Workers

Determination:

☒ Employee

☐ Contractor

UILC

Third Party Communication:

☒ None

☐ Yes

I have read Notice 441 and am requesting:

☐ Additional redactions based on categories listed in section entitled "Deletions We May Have Made to Your Original Determination Letter"

☐ Delay based on an on-going transaction

☐ 90 day delay

For IRS Use Only:

Facts of Case

The firm is a church, and the worker was engaged to perform maintenance services. The firm treated the worker status as independent contractor, and issued to the worker a Form 1099-MISC at year-end to report the monies received for his services as non-employee compensation.

The worker submitted an employment application to the firm regarding the services. The firm provided instructions to the worker on how to perform the services. The worker's assignments were ongoing in nature, and were provided by the firm. The firm determined the work methods by which to perform the services. The worker was required to contact the firm regarding problems that needed resolution; Problems were mutually resolved, with the firm having final say. The firm required the worker to perform his services personally on its premises.

The firm provided the facilities, equipment, tools, and supplies needed to perform the services. The worker provided any items he chose to use. The worker did not incur work related expenses outside of the items he chose to provide. The firm paid the the worker on an hourly wage basis for his services. The worker did not incur economic loss or financial risks related to the services he performed for the firm.

There was no information provided to support that the firm carried workers' compensation insurance on the worker. There was no information provided to support that employment benefits were made available to the firm. The worker did not perform similar services for others, and did not advertise his services to the public. The work relationship was continuous, and could have been terminated by either party at any time without incurring liabilities.

Analysis

The facts provided for this case do not evidence the worker's behavioral control of the work relationship. The worker followed the firm's instructions, work methods, schedule, and routine in the performance of his services. The worker's services were performed personally at the firm's location, using the firm's facilities, equipment, tools, and supplies. As a result, the firm retained the right to direct and control the worker to the extent necessary to protect its investments.

The facts provided for this case do not evidence the worker's financial control of the work relationship. The worker's remuneration was established by the firm. The worker had no opportunity for profit or loss as a result of the services performed for the firm. "Profit or loss" implies the use of capital by a person in an independent business of his or her own. The worker did not have a significant investment in the facilities, equipment, tools, or supplies used to perform his services for the firm. The term "significant investment" does not include tools, instruments, and clothing commonly provided by employees in their trade; nor does it include education, experience, or training. Also, if the firm has the right to control the equipment, it is unlikely the worker had an investment in facilities.

The worker performed services as requested by the firm, for an indefinite period of time, and both parties retained the right to terminate the work relationship at any time without incurring liabilities. The facts provided for this case do not evidence that the worker was engaged in an independent enterprise, but rather show that he performed his services as a necessary and integral part of the firm's business operations. Integration of the worker's services into the business operations generally shows that the worker is subject to direction and control. When the success or continuation of a business depends to an appreciable degree upon the performance of certain services, the workers who perform those services must necessarily be subject to a certain amount of control by the owner of the business.

Based on common law principles, the worker shall be found to be an employee for Federal employment tax purposes. For correction assistance, you may refer to Publications 15, 15-A, and Publication 4341, which can be obtained at www.irs.gov