

# SS-8 Determination—Determination for Public Inspection

Occupation  
04MAN Manager

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 an on site auto maintenance and repair business. The worker was initially engaged to perform services as the firm's general manager, and was treated as an employee of the firm for those services. During the work relationship the worker's services changed to service administrator responsible for answering phones, and documenting customer requests for services. For those services, the firm treated the worker status as independent contractor.

The worker followed the firm's procedures in the performance of his services. Daily work assignments were received from the firm, and via customer walk-ins with requests or concerns about their cars. The firm and worker both determined the work methods by which to perform the worker's services. The worker was required to contact the firm's owner regarding problems or complaints that needed resolution. The firm required the worker to perform all of his services personally at the firm's location.

The firm provided the worker with the facilities, equipment, tools, and supplies needed to perform his services. The worker did not incur work related expenses in the performance of his services. The firm paid the worker on a salary basis for the management services, and paid the worker on an hourly rate basis for the service administrator services. Customers paid the firm for services rendered. The worker did not incur economic loss or financial risks related to the services he performed for the firm.

The firm did not cover the worker under workers' compensation insurance. Employment benefits (paid vacations) were made available to the worker. The worker did not perform similar services for others. There was no information provided to support that the worker advertised his services to the public while engaged by the firm. The work relationship was continuous, and could have been terminated by either party at any time without incurring liabilities.

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**Analysis**

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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, schedule, and routine in the performance of his services. The worker's services were performed personally, at the firm's location, under the firm's business name. The worker used the firm's facilities, equipment, tools, and supplies to perform his services. As a result, the firm retained the right to direct and control the worker to the extent necessary to protect its investment, and the reputation of its business operations.

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 regarding all services performed for the firm. For correction assistance, you may refer to Publication 4341, which can be obtained at [www.irs.gov](http://www.irs.gov)