

SS-8 Determination—Determination for Public Inspection

Occupation 06AAS Dental Hygienist	Determination: <input checked="" type="checkbox"/> Employee <input type="checkbox"/> Contractor
UILC	Third Party Communication: <input checked="" type="checkbox"/> None <input type="checkbox"/> 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

Information provided finds the worker performed services as a dental hygienist for the firm on a temp basis in tax year 2017. The firm reported the income on Form 1099-MISC at year end. The firm feels the worker is an independent contractor as they only utilized her services on a temporary, short term basis. They did not have to complete an application or go through the interview process. The workers freely markets their services on a dental swap website. The firm cannot require the worker be available to work on a specific day. The firm does not provide training, aside from general instructions on being oriented to the office (full time employees show how the computer software systems operate). There is no permanent relationship with the worker. Oral agreements were made that they have an active license in good standing, the date the worker was required and the hours for the day and the hourly rate to be paid per day. How the worker performed her services were up to her. The patient's paid the firm for the services received. All work was performed under the firm's business name.

Analysis

We have applied the above law to the information submitted. As is the case in almost all worker classification cases, some facts point to an employment relationship while other facts indicate independent contractor status. The determination of the worker's status, then, rests on the weight given to the factors, keeping in mind that no one factor rules. The degree of importance of each factor varies depending on the occupation and the circumstances.

Evidence of control generally falls into three categories: behavioral control, financial control, and relationship of the parties, which are collectively referred to as the categories of evidence. In weighing the evidence, careful consideration has been given to the factors outlined below.

Factors that illustrate whether there is a right to control how a worker performs a task include training and instructions. In this case, you retained the right to change the worker's methods and to direct the worker to the extent necessary to protect your financial investment.

Factors that illustrate whether there is a right to direct and control the financial aspects of the worker's activities include significant investment, unreimbursed expenses, the methods of payment, and the opportunity for profit or loss. In this case, the worker did not invest capital or assume business risks, and therefore, did not have the opportunity to realize a profit or incur a loss as a result of the services provided.

Factors that illustrate how the parties perceive their relationship include the intent of the parties as expressed in written contracts; the provision of, or lack of employee benefits; the right of the parties to terminate the relationship; the permanency of the relationship; and whether the services performed are part of the service recipient's regular business activities. In this case, the worker was not engaged in an independent enterprise, but rather the services performed by the worker were a necessary and integral part of your business. Both parties retained the right to terminate the work relationship at any time without incurring a liability.

CONCLUSION

Based on the above analysis, we conclude that the firm had the right to exercise direction and control over the worker to the degree necessary to establish that the worker is a common law employee, and not an independent contractor operating a trade or business. Dental hygienists whether working part time or full time, cannot be treated as independent contractors. By law they must perform services under the direction of a licensed dentist. An independent contractor owns and operates their own business. All work was performed on the firm premises, as scheduled by the firm, utilizing the firm's equipment and supplies. The worker is paid by the hour, indicating no opportunity for profit or loss. The patients pay the firm for the services received.