

## SS-8 Determination—Determination for Public Inspection

Occupation

06AAS.15 Aide/Assistant

Determination:

☒ Employee

☐ Contractor

UILC

Third Party Communication:

☒ None

☐ Yes

### Facts of Case

Information provided indicated the firm is a 501©(3) organization that conducts educational programs on various topics and a [REDACTED] which features national speakers who present lectures on topics of national and global significance. The worker was a student intern in finance who operated in an internship that was meant to complement and enhance the student's field of study. The student was offered a stipend for the internship which was entered into for the purpose of earning course credit from the student's university. The Student was required to follow stipulations set forth by the university. The firm adhered to the university requirements and did not enter into any separate agreement with the intern. The internship responsibilities were designed around the student's curriculum and educational goals. He shadowed the finance director who outlined responsibilities in accordance with the universities educational requirements. The firm indicated no reports were required from them. The university required a report/paper from the worker describing the work completed as part of the internship. The schedule was flexible and centered around the student's coursework and school activities. Services were performed on Firm premises. No meetings were required. Services were to be performed personally. The firm provided all equipment. He was paid a lump sum. The job completed at the end of the school term.

The worker agreed he was a full time student who entered into an internship performing services for academic credit, combining instruction with work experience. He stated [REDACTED], Finance Director, was responsible for training and managing his actions. She was responsible for all work assignments. All work was completed at the [REDACTED] offices with the exception of trips off-site for special speakers etc. He agreed he was paid a lump sum stipend.

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## Analysis

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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 was a common law employee, and not an independent contractor operating a trade or business. Per IRS Publication 15 since the worker was a full time student and the income earned was in accordance to academic credit the income is subject to Federal income tax withholding and Social Security and Medicare (FICA) tax and should have been reported on Form W-2.