

SS-8 Determination—Determination for Public InspectionOccupation
06NUR NursesDetermination:
☒ 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 worker initiated the request for a determination of her work status as a Registered Nurse in tax year 2018, for which she received Form 1099-MISC. She provided patient care as directed by her supervisor and job description. The firm's business is described as a physician's group that runs a clinic and vascular surgery center.

The firm's response was signed by an officer and medical director. The firm's business is a vascular center for treatment of dialysis access. The worker provided services as a Registered Nurse.

The worker indicated she was given training and instructions on how to chart, assess, and treat all patients. Her job assignments were given daily by her manager. The firm determined the methods by which the worker's services were performed; and, any problems or complaints encountered by the worker were directed to the firm for resolution. The worker performed her services on the firm's premises from 7am until the last patient was seen. The worker was required to perform the services personally; any additional personnel were hired and paid by the firm.

According to the firm, there were no specific trainings and/or instructions given and the job assignments were based on the need of coverage for full time employees. The firm determined the methods by which the worker's services were performed. The worker was required to contact the manager for resolution of any problems. The worker was required to report on pre- and post- treatment patient data. The worker rendered her services on the firm's premises. The worker was required to perform the services personally; and, any additional personnel were hired and paid by the firm.

The firm and worker concur that the firm provided the facility, all equipment, and meds used. The worker furnished nothing. Although the firm responded she provided her knowledge, time, skills, and energy. The worker did not lease equipment, space, or a facility. The firm paid the worker an hourly wage; the customers paid the firm. The worker was not covered under the firm's workers' compensation insurance policy. The firm responded that the worker was not at risk for a financial loss in this work relationship; the worker disagreed indicating she was at risk if she sustained injuries while at work. The firm established the level of payment for services provided.

The firm and worker acknowledge there were no benefits extended to the worker, that either party could terminate the work relationship without incurring a liability or penalty, and the worker was not performing same or similar services for others during the same time frame.

The worker provided a copy of her job description as a Registered Nurse reporting to Center Manager at the Vascular Lab Dept.. The general purpose of the job was to gather pre-treatment data, monitor patient and medications during procedures, maintain prescription drug logs, and provide assistance to the clinical team during pre- and post-procedure activities. Her essential duties and responsibilities/expectations of this position, which were not intended to be all inclusive, consisted of: to monitor patient vitals; maintain radiation safety; assist in procedure room preparation, maintain sterile techniques, assist with pre- and post- procedures including assessment of discharge; gather patient clinical information; keep clear and accurate patient medical records; maintain up-to-date narcotic drug log; serve as a surgical technologist during procedures as necessary; to know and understand and follow teammate guidelines, employment policies, and department procedures; to know, understand, and comply with all clinical and business policies and procedures.

Analysis

A worker who is required to comply with another person's instructions about when, where, and how he or she is to work is ordinarily an employee. This control factor is present if the person or persons for whom the services are performed have the right to require compliance with instructions. Some employees may work without receiving instructions because they are highly proficient and conscientious workers or because the duties are so simple or familiar to them. Furthermore, the instructions, that show how to reach the desired results, may have been oral and given only once at the beginning of the relationship.

If the services must be rendered personally, presumably the person or persons for whom the services are performed are interested in the methods used to accomplish the work as well as in the results.

Payment by the hour, week, or month generally points to an employer-employee relationship, provided that this method of payment is not just a convenient way of paying a lump sum agreed upon as the cost of a job. In such instances, the firm assumes the hazard that the services of the worker will be proportionate to the regular payments. This action warrants the assumption that, to protect its investment, the firm has the right to direct and control the performance of the workers. Also, workers are assumed to be employees if they are guaranteed a minimum salary or are given a drawing account of a specified amount that need not be repaid when it exceeds earnings.

Lack of significant investment by a person in facilities or equipment used in performing services for another indicates dependence on the employer and, accordingly, the existence of an employer-employee relationship. 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.

A person who can realize a profit or suffer a loss as a result of his or her services is generally an independent contractor, while the person who cannot is an employee. "Profit or loss" implies the use of capital by a person in an independent business of his or her own. The risk that a worker will not receive payment for his or her services, however, is common to both independent contractors and employees and, thus, does not constitute a sufficient economic risk to support treatment as an independent contractor. If a worker loses payment from the firm's customer for poor work, the firm shares the risk of such loss. Control of the firm over the worker would be necessary in order to reduce the risk of financial loss to the firm. The opportunity for higher earnings or of gain or loss from a commission arrangement is not considered profit or loss.

We have considered the information provided by both parties to this work relationship. In this case, the firm retained the right to change the worker's methods and to direct the worker to the extent necessary to protect its financial investment and business reputation and to ensure its customers' satisfaction and that its obligations were met. The worker was not operating a separate and distinct business; 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. 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. 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 the firm's business.

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.