

# SS-8 Determination—Determination for Public Inspection

Occupation 09DVC.177 Truck Driver	Determination: <input checked="" type="checkbox"/> Employee <input type="checkbox"/> Contractor
UILC	Third Party Communication: <input checked="" type="checkbox"/> None <input type="checkbox"/> Yes

## Facts of Case

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The worker initiated the request for a determination of his work status as a truck driver/delivery/installation person in tax year 2006 through 2013. The firm's business is described as a trucking firm that specialized in the delivery and installation of major appliances.

The firm's response was signed by ██████████, owner d/b/a ██████████. The firm's business is described as delivery and installation of appliances. The worker performed services as a driver who delivered and installed appliances.

According to the firm, there was no training or instructions given to the worker. The worker obtained his job assignments from a pool of deliveries that were scheduled. The worker determined the methods by which the services were performed. The daily routine was at the worker's discretion – there were no set hours. The worker was required to perform the services personally; the worker could bring his own helpers who were paid by the firm.

The worker responded that he was given training and instructions on what to deliver, how to load the truck, the route to drive, and deliveries and installations to complete. The job assignments came from the firm. The firm determined the methods by which the worker's services were performed. Any problems or complaints encountered by the worker were directed to the firm for resolution. The worker stated he was required to submit the signed customer delivery receipt and receipts for fuel. The worker concurred that he was required to perform the services personally; any additional personnel were hired and paid by the firm.

The firm indicated that the truck was provided by the firm. The worker provided the tools. The worker did not lease equipment, space, or facilities. The firm stated in its response the worker was paid per load; the customer paid the warehouse. The worker was at risk for damage to a customer's home. The firm responded that the worker established the level of payment for services provided or products sold.

The worker responded the firm provided truck, dollies, hand trucks, cell phone, pager, packing materials, and vehicle insurance, and a shirt that identified the firm's client. The worker indicated he furnished gloves and work boots. The worker agreed that he did not lease equipment and did not incur expenses in the performance of the job other than a commercial drivers license. He stated the firm paid for the periodic physical he was required to have. The worker indicated he was paid a salary/daily rate. The customer paid the firm. The worker replied he was not at risk for a financial loss in this work relationship; he did not establish the level of payment for services provided or products sold.

Both parties agreed that no benefits were extended to the worker and that either party could terminate the work relationship without incurring a liability or penalty. The worker was performing same or similar services for others during the same time frame; they did not agree as to whether the firm's approval was required or not.

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## Analysis

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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.

A continuing relationship between the worker and the person or persons for whom the services are performed indicates that an employer-employee relationship exists. A continuing relationship may exist where work is performed in frequently recurring although irregular intervals.

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 and have applied the above law 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 contractual 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.