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Worker Classification: An Overview and Recent Developments

June 16, 2020

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Worker classification: what is the issue?

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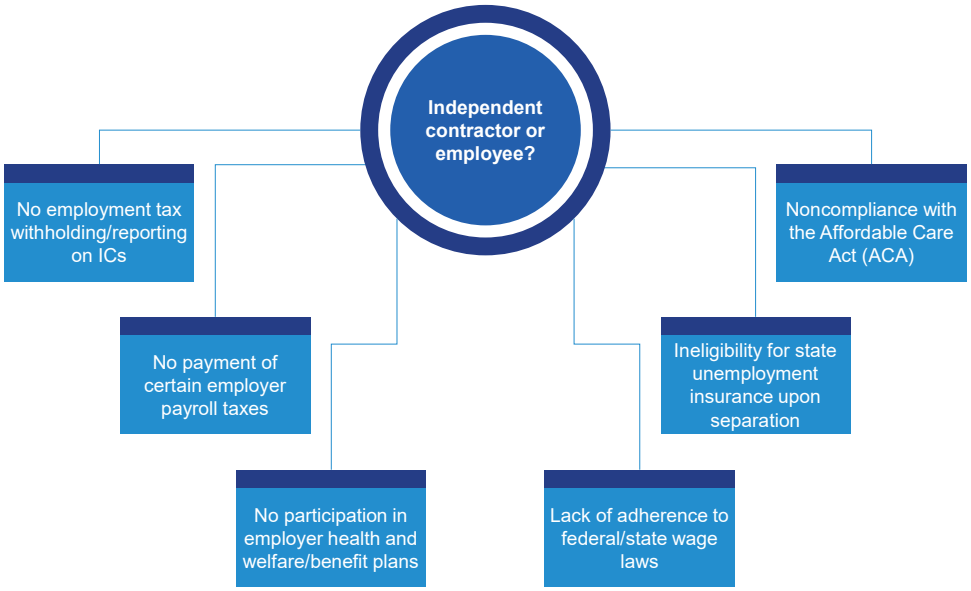
Worker classification

What is the issue?



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Internal Revenue Code (IRC) definition of an employee

Any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of:

- Employee;
- Corporate Officer
- Statutory employees (Independent Contractor for benefits purposes).

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State definition of an employee

Can be slightly different than the IRS test, and is followed in about 2/3 of the states

The worker is free from control or direction in the performance of the work	The work is done outside the usual course of the company's business and is done off the premises of the business	The worker is customarily engaged in an independent trade, occupation, profession, or business

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