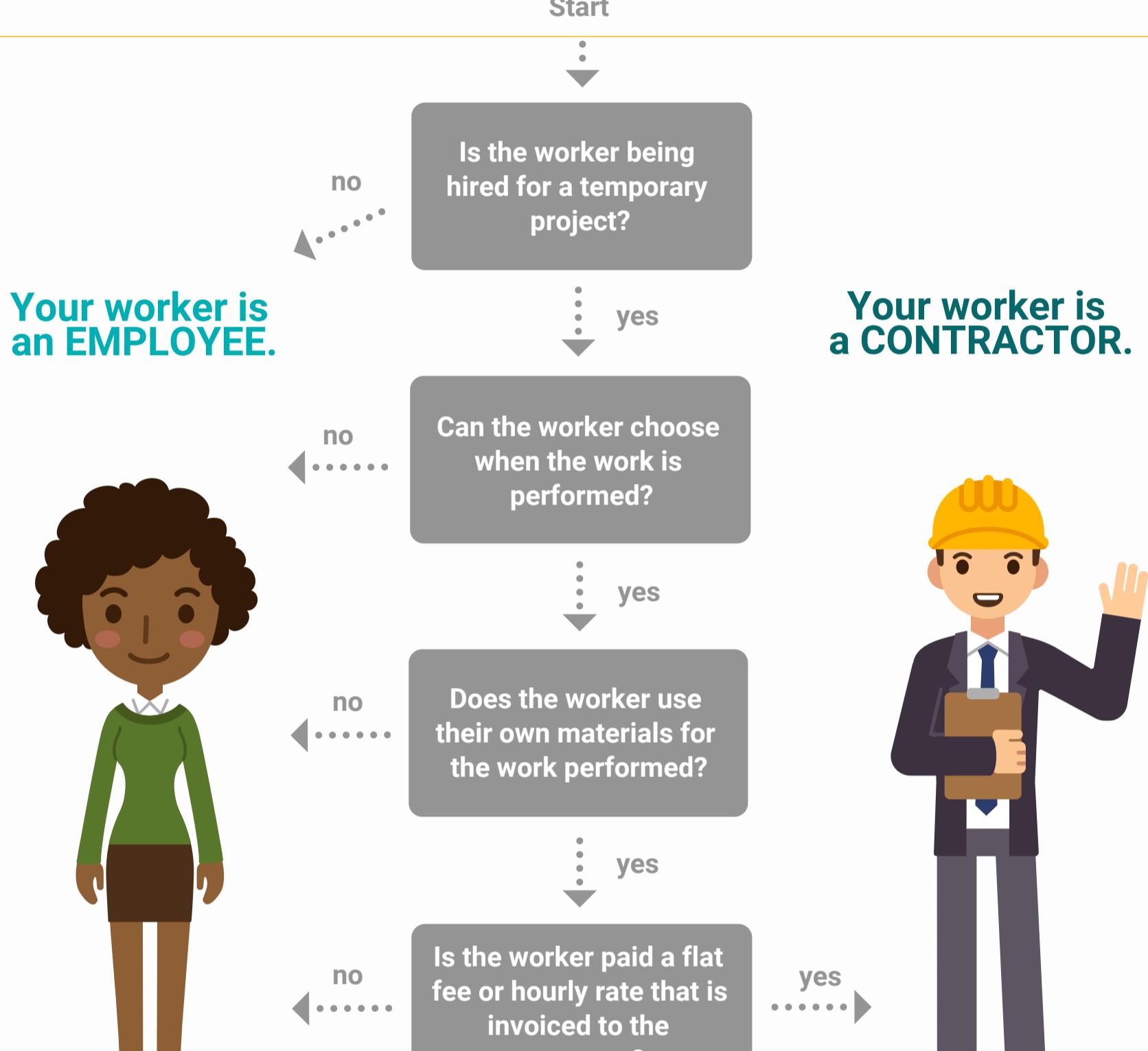


# EMPLOYEE VS CONTRACTOR

## What's the Difference?

### IS MY WORKER AN EMPLOYEE or A CONTRACTOR?



### EMPLOYEE

Has payroll local, state and federal taxes withheld from their paycheck, along with Social Security and Medicare deductions.

Employer must provide employee with Form W-2 showing taxes withheld.

Eligible for company-sponsored benefits like insurance, retirement planning, vacation days, fitness stipends, training, etc. Also eligible for unemployment benefits and state workers compensation.

Could be eligible to receive overtime pay depending on the job function or hours worked.

### Taxes

### Forms

### Benefits

### Overtime Pay

### CONTRACTOR

Has no deductions withheld from their paycheck and needs to withhold quarterly taxes independently to avoid end of year penalties.

Typically, employer must provide contractor with Form 1099 to report what is paid.

Needs to make their own arrangements for health insurance and retirement planning. Is not eligible to participate in any company-sponsored benefit program. Generally not eligible for unemployment benefits or workers compensation.

Not eligible for overtime pay as outlined by the Department of Labor.