

Independent Contractor or Employee – The “Economic Realities Test”

Instructions (Note: This is to be completed by the Principal Investigator or the Supervisor)

1. Please review the information found here: <https://www.dol.gov/whd/regs/compliance/whdfs13.htm>
2. Complete the responses to questions 1-6 on the form below.
3. Create a statement of the work for which the worker is being hired to complete
4. Email the statement of work with this form to the Director of Purchasing

Note: the “Employer” is the supervisor, PI, or other member of St. Lawrence University’s faculty or staff. The “Worker” is the individual that SLU would like to hire, and who needs to be classified as employee or independent contractor.

1) To what extent is the work performed an integral part of St. Lawrence University’s business?

Pick one. Explanation required.

1. Directly related to the business of undergraduate and graduate education and research
2. Indirectly related to the business of residential undergraduate and graduate education and research
3. Not related to the business of residential undergraduate and graduate education and research

Please explain:

2) Describe whether the worker’s managerial skills affect his or her opportunity for profit and loss.

Pick one. Explanation required for responses 2 or 3.

1. The employer makes most or all managerial decisions related to planning, purchasing, training, investing, hiring, and other decisions related to the completion of the work.
2. The employer makes some of the managerial decisions related to planning, purchasing, training, investing, hiring, and other decisions related to the completion of the work. (please explain)
3. The worker makes most or all of the managerial decisions related to planning, purchasing, training, investing, hiring, and other decisions related to the completion of the work. (please explain)

Give examples of the managerial decisions that the worker is expected to make in order to be economically independent of the employer and explain:

3) What is the relative investment in facilities and equipment by the worker as compared to the investment made by the employer?

Pick One. Explanation required for response 2.

1. The employer has invested in all or most of facilities and equipment that the worker uses and the worker bears little to no risk for losing money on the job.
2. The worker pays for all or most of the equipment, facilities needed to do the work, and bears all or most of the risk for losing money on the job (please explain).

Briefly describe the facilities and equipment needed and who supplies them

(continued)

For more information, contact the Director of Purchasing

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4) Does the worker have to apply skill and initiative related to matters requiring business judgement in order to stay in business?

1. No
2. Yes (please explain)

Briefly describe the actions the worker takes to find new work/new customers and/or to stay in business

5) Is there an ongoing relationship between the worker and the employer. Pick One.

1. No
2. Yes

Please describe the relationship:

6) For items a-d, please select the appropriate answer in order to assess the nature and degree of control retained by the employer

a. Who sets pay amounts

- i. The worker
- ii. The employer

b. Who sets work hours

- i. The worker
- ii. The employer

c. Who determines how the work is performed

- i. The worker
- ii. The employer

d. Is the worker free to work for others and hire helpers?

- i. Yes
- ii. No

Other information related to the nature and degree of control retained by the employer

Please provide any additional information that will help explain whether the worker should be classified as independent contractor or employee