

CONTACT US

Greater Boston Legal Services
Low-Income Taxpayer Clinic
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Employee or Contractor?

Did your employer
pay you as a
contractor?

If you were paid
as a contractor
but were really an
employee, you
were
"misclassified."
You may have
paid **TOO MUCH**
in taxes.



Contractors pay more taxes than employees. But many contractors are really employees.

Read this brochure to know if you are paying **TOO MUCH** in taxes.

This brochure is legal information - NOT legal advice. Using this brochure does not make you a client. For help or information, please call us.

Did you work as an employee?

If you were paid as an employee, you got a W-2 to report your wages. Your employer took 7.6% of your pay for Social Security and Medicare taxes.

Did you work as an independent contractor?

If so, you got a 1099 to report your wages. You had to pay the IRS 15.3% of your pay for Social Security and Medicare taxes. (That's 2 times more than employees!)

How do I know if I was paid as a contractor?

"No" answers mean you were paid as a contractor?

Did your employer have to...	yes	no
pay you overtime?		
provide healthcare benefits?		
deduct taxes from your pay?		
Were you eligible for...		
Workers compensation?		
Unemployment benefits?		

If I was paid as a contractor, could I still be an employee

Yes. Many employers classify employees as contractors. Doing so makes it easier and cheaper for the employers.

How do I know if I am really an employee?

You are probably an employee if:

- **Control.** Your employer controls how and where you do your work.
- **Skills.** You were trained on the job.
- **Other jobs.** Your employer does not want you to have other jobs while you do this job.
- **Period of work.** Your job does not have a *specific* end date.

Important! Even if your contract with the employer says you are an independent contractor, you may still be an employee.

Can employers in Massachusetts prove I am a contractor?

Yes. Your employer can treat you as an independent contractor if they can prove:

- They do not control how or where you work;
- The kind of work you do is not part of the employer's usual business; and
- You have your own business offering that kind of work to other clients.

Questions

Our Low-Income Taxpayer Clinic can help you decide if you should be an employee. We can also help you take your case to the IRS. Contact us.

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