

Hiring Long Lasting Independent Contractors

By: David Tetzlaff, Esq.

<http://commercialcounselor.com/>

Independent contractors are not employees but their work is often vital to the success of a business.

Because contractors may work off site, do work for other clients, and perform with minimal supervision, it is crucial to find the right people to hire as contractors, and then to manage them effectively without violating their “independent contractor” status.

Many of the best practices for defining, hiring, and working with independent contractors are identified in an [article](#) from Inc.com, some of which are included in the following list.

1. Define the tasks to be performed by the contractor and the amount you want to pay for the contractor’s services.
2. Put together a job listing, include qualifications and experience desired, then post the listing online with job sites likely to attract applicants.
3. Draft an independent contractor agreement with the assistance of legal counsel. The agreement should include, among other things, the contract term (length), specific tasks to be performed, deadlines for task completion, any deliverables, payment schedules and method (flat rate, hourly, etc.), and a confidentiality provision.
4. Don’t detail how tasks are to be performed in the agreement or in your day-to-day communication. Doing so is inconsistent with the nature of an independent contractor relationship. A contractor should have the latitude to accomplish specific tasks using their own judgment and experience. Otherwise you run the risk that the IRS or a court will find the relationship is really that of an employer-employee, which would result in the business being responsible for withholding taxes and many other obligations.
5. The freedom an individual has to determine the means by which he or she completes contracted tasks is just one of several factors considered by courts and government agencies in determining whether an individual is, in fact, an independent contractor or whether they should be considered an employee for various legal purposes. The economic reality of the relationship between you and the contractor is key. Therefore, it is crucial to consult with an attorney when structuring contractor arrangements in order to reduce the risk that the person you want to hire is misclassified and should be treated as an employee.
6. Communicate regularly with the contractor and set goals within the contract, tying goals to compensation, including bonuses for early delivery or exceeding basic task requirements. Also, offer the potential of consulting work if projects are completed properly and on time. Consulting could include training employees on how to implement the project.

Following these and other best practices will increase the likelihood that your contractors will meet your expectations and be motivated to complete the tasks for which they are hired in a timely manner that advances the goals of your organization.

[Link to Original Article](#)

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