

**Appendix 1-Factors In Determining The Status of A Worker Or Contractor (Canada Revenue Agency)**

<p><b>1. Control</b> Control is the ability, authority, or right of a payer to exercise control over a worker concerning the manner in which the work is done and what work will be done. Consider the degree of control held by the payer or the degree of autonomy held by the worker. The actual degree of control will vary with the type of work and the skills of the worker. It is the control of a payer over a worker that is relevant, and not the control of a payer over the end result of a product or service that he or she has purchased.</p>	<p><b>Indicators that the worker is a self-employed individual</b></p> <ul style="list-style-type: none"> <li>• A self-employed individual usually works independently within a defined framework.</li> <li>• The worker does not have anyone overseeing them.</li> <li>• The worker is usually free to work when and for whom he or she chooses and may provide his or her services to different payers at the same time.</li> <li>• The worker can accept or refuse work from the payer.</li> <li>• The working relationship between the payer and the worker does <b>not</b> present a degree of continuity, loyalty, security, subordination, or integration, all of which are generally associated with an employer-employee relationship.</li> </ul> <p><i>CLBC Note: Although the agency sets standards concerning the qualifications and training of providers and has personnel who visit the home from time-to-time, the agency has little control over the day-to-day manner in which the home is operated. Therefore, this factor indicates a significant degree of independence.</i></p>	<p><b>Indicators that the worker is an employee</b></p> <ul style="list-style-type: none"> <li>• The relationship is one of subordination. The payer will often direct, scrutinize, and effectively control many elements of how the work is performed.</li> <li>• The payer controls the worker with respect to both the results of the work and the method used to do the work.</li> <li>• The payer determines and controls the method and amount of pay. Salary negotiations may still take place in an employer-employee relationship.</li> <li>• The worker requires permission to work for other payers while working for this payer.</li> <li>• Where the schedule is irregular, priority on the worker's time is an indication of control over the worker.</li> <li>• The payer determines what jobs the worker will do.</li> <li>• The worker receives training or direction from the payer on how to do the work. The overall work environment between the worker and the payer is one of subordination.</li> <li>• The payer chooses to listen to the worker's suggestions but has the final word.</li> </ul>
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<p><b>2. Tools and equipment</b> Consider if the worker owns and provides tools and equipment to accomplish the work. Contractual control of, and responsibility for, an asset in a rental or lease situation is also considered under this factor. What is relevant is the significance of the investment in the tools and equipment along with the cost of replacement, repair, and insurance. A significant investment in tools and equipment and the maintenance and replacement costs associated with these assets may place the worker at the risk of a loss. Tools and equipment can vary widely in terms of value and can include everything from homes and vehicles to appliances, musical instruments, computers, etc. Self-employed individuals often supply the tools and equipment required to complete a contract. As a result, the ownership of tools and equipment by a worker is more commonly associated with a business relationship.</p>	<p><b>Indicators that the worker is a self-employed individual</b></p> <ul style="list-style-type: none"> <li>• The worker provides the tools and equipment required for the work. In addition, the worker is responsible for the costs of repairs, insurance, and maintenance to the tools and equipment.</li> <li>• The worker has significant investment in the tools and equipment and the worker retains the right over the use of these assets.</li> <li>• The worker supplies his or her own workspace, is responsible for the costs to maintain it, and performs substantial work from that site.</li> </ul>	<p><b>Indicators that the worker is an employee</b></p> <ul style="list-style-type: none"> <li>• The payer supplies most of the tools and equipment required by the worker. In addition, the payer is responsible for repair, maintenance, and insurance costs.</li> <li>• The worker supplies the tools and equipment and the payer reimburses the worker for their use.</li> <li>• The payer retains the right of use over the tools and equipment provided to the worker</li> </ul>
<p><b>3. Subcontracting work or hiring assistants</b> Consider if the worker can subcontract work or hire assistants. This factor can help determine a worker's business presence because subcontracting work or hiring assistants can affect their chance of profit and risk of loss.</p>	<p><b>Indicators that the worker is a self-employed individual</b></p> <ul style="list-style-type: none"> <li>• The worker does not have to perform the services personally. He or she can hire another party to either complete the work or help complete the work, and pays the costs for doing so.</li> <li>• The payer has no say in whom the worker hires.</li> </ul> <p><i>CLBC Note-The provider hires hourly or respite workers directly.</i></p>	<p><b>Indicators that the worker is an employee</b></p> <ul style="list-style-type: none"> <li>• The worker cannot hire helpers or assistants.</li> <li>• The worker does not have the ability to hire and send replacements. The worker must perform the services personally.</li> </ul>
<p><b>4. Financial risk</b> Consider the degree of financial risk taken by the worker. Determine if there are any fixed ongoing costs incurred by the</p>	<p><b>Indicators that the worker is a self-employed individual</b></p> <ul style="list-style-type: none"> <li>• The worker hires helpers to assist in the work. The worker pays the hired helpers.</li> </ul>	<p><b>Indicators that the worker is an employee</b></p> <ul style="list-style-type: none"> <li>• The worker is not usually responsible for any operating expenses.</li> <li>• Generally, the working relationship between the</li> </ul>

<p>worker or any expenses that are not reimbursed. Usually, employees will not have any financial risk as their expenses will be reimbursed, and they will not have fixed ongoing costs. However, self-employed individuals can have financial risk and incur losses because they usually pay fixed monthly costs whether or not work is currently being performed. Employees and self-employed individuals may be reimbursed for business or travel expenses. Consider only the expenses that are <b>not</b> reimbursed by the payer.</p>	<ul style="list-style-type: none"> <li>• The worker performs a substantial amount of work from their own workspace and incurs expenses relating to the operation of that workspace.</li> <li>• The worker is hired for a specific job rather than an ongoing relationship.</li> <li>• The worker is financially liable if he or she does not fulfill the obligations of the contract.</li> <li>• The worker does not receive any protection or benefits from the payer.</li> <li>• The worker advertises his or her services and actively markets himself or herself.</li> </ul> <p><i>CLBC note: There is considerable scope available to the provider to control their expenses to the extent that they could be significantly exceeded by the payments from the agency.</i></p>	<p>worker and the payer is continuous.</p> <ul style="list-style-type: none"> <li>• The worker is not financially liable if he or she does not fulfil the obligations of the contract.</li> <li>• The payer determines and controls the method and amount of pay.</li> </ul>
<p><b>5. Responsibility for investment and management</b> Consider the degree of responsibility for investment and management held by the worker. Is the worker required to make any investment in order to provide the services? A significant investment is evidence that a business relationship may exist. You should also consider if the worker is free to make business decisions that affect his or her profit or loss.</p>	<p><b>Indicators that the worker is a self-employed individual</b></p> <ul style="list-style-type: none"> <li>• The worker has capital investment.</li> <li>• The worker manages his or her staff.</li> <li>• The worker hires and pays individuals to help perform the work.</li> <li>• The worker has established a business presence.</li> </ul>	<p><b>Indicators that the worker is an employee</b></p> <ul style="list-style-type: none"> <li>• The worker has no capital investment in the business.</li> <li>• The worker does not have a business presence.</li> </ul>
<p><b>6. Opportunity for profit</b> Consider whether the worker can realize a profit or incur a loss, as this indicates that a worker controls the business aspects of services rendered and that a business relationship likely exists. To have a chance of a profit and a risk of a loss, a worker must have potential proceeds and expenses, and one could exceed the other. Employees normally do</p>	<ul style="list-style-type: none"> <li>• Self-employed individuals normally have the chance of profit or risk of loss, because they have the ability to pursue and accept contracts as they see fit. They can negotiate the price for their services and have the right to offer those services to more than one payer.</li> <li>• Self-employed individuals will normally incur expenses to carry out the terms and conditions of their contracts, and to manage</li> </ul>	<ul style="list-style-type: none"> <li>• Employees may have expenses directly related to their employment, such as automobile expenses, board and lodging costs. Normally, expenses would not place employees at risk of incurring a loss because it is unlikely that the expenses would be in excess of their remuneration.</li> <li>• Employees generally do not share in profits or suffer losses incurred by the business.</li> <li>• The worker is not normally in a position to</li> </ul>

<p>not have the chance of a profit and risk of a loss even though their remuneration can vary depending on the terms of their employment contracts. For example, employees working on a commission or piece-rate basis, or employees with a productivity bonus clause in their contract can increase their earnings based on their productivity. This increase in income is not normally viewed as a profit, as it is not the excess of proceeds over expenses.</p>	<p>those expenses to maximize net earnings. Self-employed individuals can increase their proceeds and/or decrease their expenses in an effort to increase profit.</p> <ul style="list-style-type: none"> <li>• The worker can hire a substitute and the worker pays the substitute.</li> <li>• The worker is compensated by a flat fee and incurs expenses in performing the services.</li> </ul> <p><i>There is scope for providers to use their initiative to enhance their net earnings.</i></p>	<p>realize a business profit or loss.</p> <ul style="list-style-type: none"> <li>• The worker is entitled to benefit plans which are normally only offered to employees. These include registered pension plans, and group accident, health, and dental insurance plans.</li> </ul>	
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