

Name of Service Provider: _____

Are you currently receiving a pension from State University Retirement System of Illinois (SURS)?

Yes No

The information on this form is used to determine whether the service provider is an independent contractor under IRS guidelines or if an employee/employer relationship exists. This form must be completed and signed by the individual performing the service; reviewed and signed by the responsible department and approved by the Office of Human Resources, all completed prior to any services initiated.

If the determination is that the service provider is an independent contractor and the payment for the services provided is \$3,000-\$19,999, please complete an Independent Contractor Service Agreement. If the determination is that the service provider is an independent contractor and the payment for the services provided is \$20,000 or more, a two-party contract is required. The Purchasing Department will send the contract to the individual.

If the independent contractor is currently receiving a pension from SURS, an IRS Determination letter is also required. It can take up to 6 months for the IRS to make a final determination. Other forms may also be required. The IRS Determination letter needs to be included with the signed checklist and forwarded to the Purchasing Department.

NEIU requires independent contractors to comply with the University’s [Background Check Policy](#) as a condition of the contract and before any work can commence, a [background check](#) form needs to be completed and submitted to the Office of Human Resources.

This checklist helps the Office of Human Resources determine whether an employer/employee relationship exists for federal, state and FICA tax purposes. The questions below provide information as to the degree of control and the degree of independence in the relationship between the individual performing services and NEIU. Additional information may be requested to make the appropriate determination. The final determination is made by the Office of Human Resources in conjunction with Accounts Payable and is based on consideration of all the known facts and not any one answer alone.

All signatures are required prior to submission to the Office of Human Resources. Incomplete forms will be returned to the originating department.

SECTION 1 – Current Employer – Employee Relationship

	Yes	No
A. Is the service provider currently employed by NEIU?	<input type="checkbox"/>	<input type="checkbox"/>
B. Does the University expect to hire this service provider as an employee to provide the or similar services immediately following the termination of his/her independent contractor same service?	<input type="checkbox"/>	<input type="checkbox"/>
C. During the previous 12 months prior to the date on which the independent contractor service commenced, did this service provider have an NEIU appointment (including hourly or temporary) to provide the same or similar services?	<input type="checkbox"/>	<input type="checkbox"/>

If the answer is **“Yes”** to **ANY** of the above three questions, the service provider should be classified as an EMPLOYEE and paid through payroll. **Please contact HR for guidance on the next steps.**

If the answer is **“NO”** to all of the above three questions, proceed to Section 2.

SECTION 2 – Three Factor Test

This three-part test presumes that the individual is an employee unless **ALL three are true**.

- | | | |
|--|--------------------------|--------------------------|
| 1. Is the individual free from control and direction in connection with the performance of the service, both under the contract for the services and in fact? | Yes | No |
| A. The department does not provide instructions to the worker about when, where, and how he or she is to perform the work, does not set he work hours and daily schedule as it would for its employees and the worker is not required to perform the services in a standard or predefined order or sequence set by the department. The department does not provide the same or similar training to the worker to perform the work as it would for its other employees. | <input type="checkbox"/> | <input type="checkbox"/> |
| B. The department does not hire, supervise, and pay assistants for the worker or pay for business or traveling expenses of the worker (unless travel is negotiated as a requirement of the contract). Any assistance needed by the worker is self-provided since the worker may not supervise department staff. | <input type="checkbox"/> | <input type="checkbox"/> |
| C. The work relationship between the department and the worker will not continue beyond the current project/contract. If the individual is continually hired from project to project and maintains an ongoing contractual relationship with the department, the answer to this section is “NO” and the presumption will be that the individual should be a temporary employee unless all other factors support independent contractor status. | <input type="checkbox"/> | <input type="checkbox"/> |
| D. If work is performed on the department’s premises, access is limited to department resources only to the extent necessary to perform services and not because the worker does not have available facilities or equipment. The worker furnishes his/her own tools, materials, and equipment, relies little on department support resources, and has a significant investment in his/ her own facilities. | <input type="checkbox"/> | <input type="checkbox"/> |
| E. Worker is required to submit oral or written reports to the department documenting work status because department is not overseeing day-to-day performance. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Is the service performed outside the usual course of the business of the department? | Yes | No |
| A. The service performed by the worker is not integrated into the department’s business operations. If the services or work performed are the same or similar as work performed by other department staff/employees or the department as a whole, the answer to this section is “NO” and the individual will be a contract employee. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Is the individual customarily engaged in an independently established trade, occupation, profession, or business of the same nature as that involved in the service performed for the department? | Yes | No |
| A. The worker does not devote substantially full time to the business of the department. The worker provides services for more than one client at a time or to the general public. If the individual’s business is substantially subsidized by a single department with limited funding from other clients, the answer to this question is “NO” and the individual will be a temporary employee. | <input type="checkbox"/> | <input type="checkbox"/> |

If the answer is “NO” to ANY of the above three questions, the individual should be classified as an EMPLOYEE and paid through the normal payroll process. **Please contact HR for guidance on the next steps.**

If the answer to ALL of the above questions is “Yes” send this completed checklist back to the originating department. The department will then forward this to the Purchasing Department along with the requisition form. Evidence should be included to support #3: individual is customarily engaged in independently established trade, occupation, profession or business. (For example: marketing material, web site, etc.)

SECTION 3 – Certification of Service Provider/Independent Contractor

Under penalties of perjury, I certify that the above information is complete and accurate. If NEIU engages me as an independent contractor, I am responsible for taxes, insurance coverage, and business expenses and am not eligible for any employer-provided benefits.

Name of Service Provider

Signature of Service Provider

Date

SECTION 4 – Certification of NEIU Department

I certify that I have firsthand knowledge of the potential service relationship in order to review the above checklist with complete and thoughtful accuracy.

I have reviewed the above responses and acknowledge that as a person with authority over the indicated cost object, I understand that should the Internal Revenue Service ("IRS") disagree with this classification NEIU may hold my department financially responsible for any additional compensation (due to gross up, including fringe rate), taxes, interest, or penalties that the IRS or other regulatory bodies might assess.

Name of Department Representative

Signature of Department Representative

Date

Phone Number

Email address

Department Name

Organization Number

SECTION 5 – Submission and Return of Assessment

Please email completed checklist to the Office of Human Resources at: HR-Office@neiu.edu

To be completed by the Office of Human Resources ONLY

Assessment:

Assessment By: _____	Phone: _____	Date: _____
AP Concurrence By: _____	Phone: _____	Date: _____