

Classifying Contractor vs. Employees

Key factors determine if a worker should be an employee or a contractor

Under California law, an employer that willfully misclassifies an employee can be subject to civil penalties of no less than \$5,000 and no more than \$15,000 for each violation. If the employer engaged in a pattern and practice of willful misclassification, they can be fined an additional \$10,000 to \$25,000. Labor Code § 226.8

Contracted Service

Enter a requisition

VS

Short Term Employee/ Volunteer

Contact HR



Dedicated Office Space to perform work
Uses company tools
CA Labor Code 2778 (a)(1)

Gives direction to employees
or makes business decisions

Performing functions similar
to an existing position

Hours set by hiring entity

Hiring entity controls how
tasks are performed

Hiring entity provides
training to perform function

Chooses own workspace
Supplies own tools

Licensed Professional
CA Labor Code 2778 (a)(2)

Provide Professional Advise

Guest Speaker

Entertainment/ Catering

Ability to set own hours
Labor Code 2778 (a)(4)

