

## Licensed Agency (Agency) Versus Independent Contractor (IC)

	Agency	IC
Caregivers are screened, background checked, fingerprinted, TB tested, CPR First Aid certified	Yes	No
Caregivers are employees of agency, moving risk of workers compensation or other damage claims to agency	Yes	No
Is the caregiver trained and qualified for the assignment?	Yes	No
Client is responsible for payroll taxes	No	Yes
Client is liable if caregiver is injured on the job	No	Yes
Backup available if caregiver is sick or wants to take time off	Yes	No
Is care supervised by a qualified professional	Yes	No
Licensed and monitored by governmental agency	Yes	No

Check with an attorney or CPA, but if an individual hires an “Independent Contractor” to provide care in their home on a regular basis, the individual has actually hired an employee and is liable for payroll taxes, paying into a workers compensation fund and filing employer tax returns. The IRS has published specific criteria to determine if an individual is an employee or IC. If you analyze the facts and circumstances of a hired caregiver in a home, the situation will fail the IC test and as a result the caregiver would be treated by the IRS as an employee of the client.