333: Contract/Casual Labor

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Section: Human Resources
Subject: Contract/Casual Labor
Approved by: Harvey L. Massey
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Policy

It is a policy of Massey Services, that contract/casual labor will not be authorized at Massey Services Centers due to several reasons. The following information outlines IRS guidelines which basically defines what is considered an independent contractor (contract labor) and company employee.

I.R.S. TEST ON INDEPENDENT CONTRACTOR STATUS

The IRS has issued regulations for use in determining whether an individual is an independent contractor or an employee, for purposes of the FICA tax. The IRS regulations may be useful in non-tax contexts as well, since they draw on common legal principles.

The rules and criteria used by the IRS are as follows:

The individual is an employee if:

1. The employer has a right to direct and control the individual's performance, both as to results and as to means and details of accomplishing results.
2. The employer need not actually exercise such control; it is enough if the employer merely has the right to do so.
3. The employer has the right to discharge the individual.
4. The employer furnishes the individual tools or other implements, equipment, etc., for doing the job.

5. The employer furnishes the individual a place where the individual regularly and normally works.

The individual is an independent contractor if:

1. The employer controls or directs merely the end to be accomplished, not the means and methods of accomplishing it.
2. The employer does not furnish any tools or normal workplace to the individual.
3. The individual holds himself out as available to perform similar services for the general public or for others in the same trade/business as the employer.
4. The individual does not in fact spend most or all of his time serving only one employer.

In the event additional labor is needed, the guidelines outlined below are to be followed:

1. Plan far enough in advance to use your own personnel (i.e. cross-train). Our existing employees must be provided the opportunity to expand their knowledge and increase their income.
2. Contact adjacent Service Centers for additional labor.
3. Contact appropriate temporary personnel agencies for price quotes for your particular needs.
4. Contact the Operations Department to review numbers 1, 2, and 3 above. At that time (if necessary) the approval can be given to use a temporary personnel agency.
5. Submit invoice immediately for payment with employer explanation, and approval date/justifications.

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