

## **Contract Employees vs. Independent Contractor Policy Statement**

### **Policy**

The College is guided by the policy *Individual Contractors: Contract Employees vs. Independent Contractors*, which can be found at [www.mass.gov/osd](http://www.mass.gov/osd) and on the NECC website<sup>1</sup>. This guidance includes the Commonwealth's Three-Part Test<sup>2</sup>, which incorporates the requirements of state and federal law. The Three-Part Test will be the primary guidance used to determine whether an individual is a Contract Employee or an Independent Contractor, although there are other reference documents, which can also assist you in making this determination.

The determination of an individual's status – employee versus contractor - must balance several requirements, including: complying with IRS and state payroll tax laws, minimizing risk and liability to the College, adhering to transparency and accountability in hiring and procurement, along with maintaining operational efficiency.

In addition, failure to comply with state and federal laws in this area could result in an individual having to file income tax amendments and make substantial income tax and penalty payments; it could also jeopardize College federal grant funding and result in additional financial penalties.

Notes:

<sup>1</sup> [http://www.necc.mass.edu/administration\\_and\\_finance/policies.php](http://www.necc.mass.edu/administration_and_finance/policies.php)