Title:
Subcontracting Versus Hiring Employees

Word Count:
292

Summary:
Subcontracting requires the relationship meets specific requirements. Talk to
your accountant or lawyer before entering a relationship of subcontracting.

Keywords:
subcontracting, subcontractors

Article Body:
While you should talk to a lawyer about the specific differences between
subcontractors and employees, this article will present you with a list of
things to watch out for when utilizing subcontracting.

Subcontracting: Make Sure The Relationship Meet the Test

I suggest, however, that you contact your accountant or your lawyer, or check
the IRS page for further information on any topic dealing with the differences
between employees and subcontactors or the IRS-20 point rule.

o   You want to make sure that your subcontractors own their own tools.
o   You want to make sure you're not providing them with a laptop or
protocol analyzers or anything else that would be expected if someone had their
own network integration or service kind of business.
o   You want to make sure that they have control over things - that you're
not executing the same degree of control over them that you would an employee.
o   You want to make sure that they have many clients.
o   You want to make sure that they have the ability to sustain a loss.
o   You want to make sure that they market to the public or that they have a
listing in the phone book.
o   You want to make sure that you are not paying by the hour.
o   You want to be writing the check to the company, not the individual.

There are a whole bunch of rules that come into play with subcontracting. When
you're talking about setting up subcontractor relationships, it's very important
to make sure that you get all you t's crossed and i's dotted.

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