



Contractor or Employee? (Washington)

Paying someone with a 1099 does **not** automatically make them an independent contractor.
Use this sheet to help determine which they might be.

They might be a Contractor if:

- They control **how** the work is done
- They have their own established business
- They provide services to other customers or businesses
- They cover their own normal business expenses
- They maintain their own business records
- You hired them for a specific project or result - not managing their daily work

These things alone does **NOT** make someone a contractor:

- A signed contractor agreement
- A 1099
- A UBI number
- Working remotely and/or part time

They might be an Employee if:

- You set their hours or work schedule
- You train them how to do the work
- You supervise their day-to-day tasks
- You provide most of the tools or equipment
- They mainly or only work for your business
- Their work is a regular part of your business operations
- The business relationship is ongoing rather than one-time or project-based

For WA workers' compensation, WA L&I (Labor & Industries) may require a worker to meet **all parts** of the applicable independent-contractor test to qualify for exemption. Construction-related contractors can have additional requirements.

Bottom line: if you control the worker more than the final result, stop and verify the classification before paying them as a contractor.

For general educational purposes only. This is not legal advice. Worker classification depends on the facts of each relationship and may differ under federal tax law, workers' compensation, unemployment, and wage-and-hour rules.

Sources: Washington Labor & Industries · Washington Employment Security Dept · IRS