

**STATE OF CONNECTICUT  
EMPLOYMENT SECURITY DIVISION  
UNEMPLOYMENT COMPENSATION TAX DIVISION**

**SELF-ASSESSMENT OF THE EMPLOYER-EMPLOYEE RELATIONSHIP FOR CT  
UNEMPLOYMENT TAXES**

The determination of independent contractor status versus employee status is often a complex decision. Connecticut unemployment law states that employment is any service performed under an express or implied contract of hire that creates the relationship of employer and employee. Workers who are employees under the common law definition of master and servant (the standard applied by the Internal Revenue Service) are therefore covered for state unemployment purposes. In Connecticut however, irrespective of whether the common law relationship of master and servant exists, the law holds that service will be considered employment subject to the act unless the service recipient can establish compliance with Connecticut General Statutes Section 31-222(a)(1)(B)(ii), commonly referred to as the ABC test which is outlined below.

To be considered an independent contractor, an individual must meet all three of the following tests.

- A. The worker must be free from direction and control in the performance of the service, both under the contract of hire and in fact. (Essentially, this is the common law definition.)

AND

- B. The worker's services must be performed:

EITHER

(1) Outside the usual course of the employer's business

OR

(2) Outside all of the employer's places of business.

AND

- C. The worker must be customarily engaged in an independently established trade, occupation, profession or business of the same nature as the service being provided.

It is important to note that test A above will not be satisfied if the person or persons for whom the service is performed retain the right to exercise direction and control over the service, even when the right is not used. Also, bear in mind that an individual who forms a business in response to an offer of work as an independent contractor will meet neither the customarily engaged nor the independently established criteria of test C.

The following form is designed to allow you to perform a self-examination of the status of workers in your business whom you consider to be independent contractors.

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The determination of a worker's status is both technical and complex. This self-assessment is designed only as a guide; it is not an official Department of Labor form. If you have questions concerning the employee versus independent contractor status of a worker please contact your local Unemployment Compensation Field Audit Unit in any one of the areas listed below:

Bridgeport	203-455-2725	Hartford	860-256-3725	Norwich	860-859-5700
Danbury	203-797-4148	Middletown	860-754-5130	Torrington	860-626-6221
Enfield	860-741-4285	New Britain	860-827-7063	Waterbury	203-437-3400
Hamden	203-859-3325	New London	860-439-7550	Willimantic	860-723-2689

As an aid to determining whether an individual is an employee (EE) under the common law rules or an independent contractor (IC), twenty factors or elements have been identified as indicating whether sufficient control is present to establish an employer - employee relationship. These twenty factors have been developed based on an examination of cases and rulings considering whether an individual is an employee.

These twenty factors are designed only as guides for determining whether an individual is an employee. The degree of importance of each factor varies depending on the specific situation. **No single fact or small group of facts is conclusive evidence of the presence or absence of control.** There will be situations where some factors do not apply. Careful scrutiny is required to assure that formalistic aspects of an arrangement designed to achieve a particular status do not obscure the actual substance of the arrangement. (That is, if the relationship of employer-employee exists, the designation of the relationship by the parties as anything other than that of employer-employee is immaterial.)

**THE COMMON LAW IS ALSO TEST A OF THE ABC TEST FOR CT UNEMPLOYMENT**

#	FACTOR	DESCRIPTION	EE	IC	DNA
A1	INSTRUCTIONS	Does the firm provide instructions or procedures the worker is expected to follow in doing the work?	YES	NO	
A2	TRAINING	Does the firm provide training to the worker?	YES	NO	
A3	INTEGRATION	Does the continuation of the scope and function of the firm depend appreciably upon the services of the worker?	YES	NO	
A4	PERSONAL SERVICE	Does the firm require the personal services of the worker to get the job done?	YES	NO	

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#	FACTOR	DESCRIPTION	EE	IC	DNA
A5	ASSISTANTS	Does the firm hire, supervise and pay for any assistants needed by the worker to do the work?	YES	NO	
A6	CONTINUING RELATIONSHIP	Does the relationship between the firm and the worker contemplate continuing or recurring work?	YES	NO	
A7	HOURS OF WORK	Does the firm set the hours of work or the amount of hours to be worked by the individual?	YES	NO	
A8	FULL TIME	Is the worker required to devote full time to the firm during the relationship?	YES	NO	
A9	PLACE OF WORK	Is the individual required to perform the work on the firm's premises?	YES	NO	
A10	ORDER OR SEQUENCE	Is the worker required to perform the services in an order or pattern set by the firm?	YES	NO	
A11	REPORTS	Is the worker required to give oral or written reports to the firm on the state of the work?	YES	NO	
A12	PAYMENTS	Is the worker's pay based upon time worked?	YES	NO	
A13	EXPENSES	Does the firm pay the worker's expenses?	YES	NO	
A14	TOOLS & MATERIALS	Does the firm furnish the tools and materials needed to do the work?	YES	NO	
A15	INVESTMENT	Does the worker have a significant investment in the facilities used in doing the work?	NO	YES	
A16	PROFIT OR LOSS	Can the worker realize a profit or suffer a loss as a result of the services performed for the firm?	NO	YES	

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#	FACTOR	DESCRIPTION	EE	IC	DNA
A17	WORKS FOR MORE THAN ONE FIRM	Does the individual work for a number of firms at the same time?	NO	YES	
A18	OFFERS SERVICES TO THE PUBLIC	Does the worker offer this service to the general public?	NO	YES	
A19	RIGHT TO FIRE	Does the firm have the right to discharge the worker at any time?	YES	NO	
A20	RIGHT TO QUIT	Does the individual have a right to terminate the relationship at any time without incurring liability?	YES	NO	

**IRRESPECTIVE OF THE RESULT OF THE COMMON LAW DETERMINATION ABOVE, YOU MUST ALSO SATISFY BOTH TEST B AND TEST C BELOW.**

**TEST B: ANSWERING EITHER OF THESE QUESTIONS AS IC WILL SATISFY THIS TEST**

#	FACTOR	DESCRIPTION	EE	IC	DNA
B1	OUTSIDE USUAL COURSE OF EMPLOYER'S BUSINESS	Is the service provided part of the employer's normal business operation?	YES	NO	
B2	OUTSIDE EMPLOYER'S PREMISES	Does the individual perform any of the work on the firm's premises?	YES	NO	

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**TEST C: THIS TEST MUST BE APPLIED TO EACH INDIVIDUAL. SIMILARLY SITUATED WORKERS MAY DIFFER IN THEIR RESPONSE TO THIS FACTOR.**

#	FACTOR	DESCRIPTION	EE	IC	DNA
C1	ENGAGED IN AN INDEPENDENTLY ESTABLISHED BUSINESS OF THE SAME NATURE AS SERVICE PROVIDED	Is the worker <b>customarily engaged</b> in an <b>independently established</b> trade, business, occupation or profession of the same nature as the service being provided? (Items A13-A20 may help to determine the existence of a business.)	NO	YES	

**POTENTIAL EVIDENCE TO SUPPORT YOUR DETERMINATION REGARDING TEST C**

Business license	Letterhead stationary	References of other clients
Business liability insurance certificate	Advertisements in yellow pages, newspapers, trade journals, etc.	Registration for or collection of state sales tax on the services provided.
Business card	Bills or invoices with a logo or trade name	Federal identification number for the business.

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Notes regarding this determination: