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by Wsq Oklp

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Employment Relationship

An Independent contractor is one who is recruited by an employer to undertake a specific task where an employer has no direct control over a contractor. An employee is hired by the employer to perform functions in the direction and control of the employer (Satterley, 2020). As a result, the court sets out some aspects that help to determine who an independent contractor is and what it means to be an employee. The interplay of several elements helps to understand differences between employees together with an independent contractor. These aspects include benefits, tax issues and direction of the employer (Global, 2020). An employer can withhold tax at the time of salary payment for an employee, provide benefits such as insurance and social security and the overall aspect is that an employee works towards the direction and control of the employer. Therefore, employers control what employees do, when and how they work (Global, 2020). An independent contractor pays taxes independently and is not entitled to any benefits from the employer besides the agreed terms of the contract. Additionally, independent contractor controls and directs their work since the employer is only interested in the results.

Employees are entitled to basic salaries and wages. In case of failure of compliance by the employer, an employer is protected by state agencies that enforce rights provided by salary and hours law. An employee is also entitled to benefits such as health insurance and pension benefits (Kiely, 2011). On the other hand, an employee is disadvantaged in that their work can be terminated if the employer feels one is not working as required (Kiely, 2011). Most employees work at the mercy of their employers. Another con is that employee has little control over their practice such as practice hours and retirement plans among others.

Independent contractors have control over their work hence can decide how and when to work. Consequently, they are highly paid compared to employees since the employer does not incur other costs, such as providing benefits (Durban, 2010). One major challenge independent contractors face is that they cannot rely on state agencies to enforce their rights but instead has to file complaints with the court direct. Filing cases with agencies is deemed to be easier. Another disadvantage is that independent contractors are not eligible for benefits, and insurance rates for self-employed are usually high (Durban, 2010). Nevertheless, most independent contractors are paid in full after completion of work. They, thus, face the risk of not being paid, and there is no help for them outside a lawsuit. Independent contractors also face the risk of making losses if they do not make the right decisions (Satterley, 2020).

3 References

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