

IMPORTANT: READ & COMPLETE BOTH PAGES

The purpose of the following instructions is to ensure compliance with the California Independent Contractor (“IC”) and Internal Revenue Services (“IRS”) regulations. Complete this form before the selected contractor can proceed. In order to avoid significant financial liability and violation of state and Federal laws and regulations, it is important that careful consideration is given when making IC determinations to make sure the determinations are made for services **only** and not purchases for products, books or course materials or payments for equipment use or rentals.

Instructions:

1. If vendor is not providing services, please go to Section IV.
2. Complete Sections I through III.
3. Section III, known as the ABC Test found in California law, must be answered in the affirmative in order to proceed to Section IV.
4. Complete Section IV, known as the IRS Test, which must be answered in the negative.
5. Submit the completed form to Human Resources. The form will be returned with a determination.
6. Once Human Resources’ determination is complete, generate a NEW vendor ID by submitting IC form and Vendor Information form to Procurement Services at purchasing@lists.pacific.edu to initiate vendor setup process.

Section I – Independent Contractor Business Information: (If no services are required skip to Section IV.)

Independent Contractor Name: _____

Legal Business Name (if different than above): _____

U.S. Taxpayer Identification Number (required): _____ Pacific ID# (if existing): _____

Citizenship: U.S. Citizen/Permanent Resident Undocumented Non-Resident (must see Payroll if form approved)

Mailing Address: _____

Section II – Services to be Performed:

Specific date(s), time(s), and location(s) that service(s) are to be performed: _____

Detailed description of services to be performed (attach additional sheet if necessary):

Total fees and payment schedule agreed upon for services to be performed: _____

Index Code (for Sponsored Programs): _____

Payment shall be by check unless prior arrangements are made for payment by direct deposit (“DDA”). Payment(s) will be reported to the Internal Revenue Service as required by law.

Section III - California’s ABC Test:

1a. Is there Freedom from Control and Direction?

Yes No

According to California law, an individual must be “free from control and direction of the hirer in connection with the performance of the work, both under the contract for the performance of such work and in fact.” In other words, the individual must be free to carry out his or her duties with minimal instruction from Pacific. For example, an individual that qualifies as an IC completes the job using his or her own approach with little direction and dictates the hours that he or she will work on the job.

An individual must perform his or her functions independently. ICs perform their work using an approach of their own choosing. They can determine when and where they work, and how much work is needed to perform the project for which they have been retained. In contrast, employees are subject to more control. For example, an employer determines the work methods and schedules of employees.

2a. Is the Service Outside of the Usual Course of Pacific’s Business?

Yes No

ICs must provide services and/or perform functions which are outside Pacific’s usual course of business. Pacific is generally engaged in the course of teaching and research. Accordingly, we cannot engage ICs to perform work in these areas, and should classify such individuals as employees or engage their services through some other alternative, such as through a vendor relationship with a third-party employer or another institution. At Pacific, most of the services that we provide are in the realm of teaching and research. For example, if Pacific

retains an individual to provide services as a Teaching Tutor or as a Researcher, that person could be characterized as an employee under California law. Both of these functions fall within the normal course of our business.

3a. Is the Prospective Contractor Engaged in an Independent Trade, Occupation, or Business?

Yes No

An IC must hold him or herself out to the public as available to provide the same or similar services to a variety of employers. A true IC has a financial investment in his/her contracting/consulting business. Other factors to consider include: incorporation status of the individual, existence of a business website, business licensing, etc.

*If all answers above are Yes, proceed to Section IV. If No, to any of the above the individual may not be classified as an IC. Proceed to consult with your HR Business Partner to determine the appropriate status.

Section IV – IRS Test:

1b. Was this worker previously treated as an employee within the last twelve (12) months? Yes No

If Yes, is the worker performing services in a substantially similar capacity and under substantially similar direction and control?

Yes No

If No, please proceed to question 2b.

2b. Is the worker a Pacific student? Yes No

If No, please proceed to question 3b.

3b. Are co-workers performing substantially similar services and under substantially similar direction and control, treated as employees?

Yes No

If all answers above are No, proceed to Section V. If Yes, to any of the above the individual may not be classified as an IC. Proceed to consult with your HR Business Partner to determine the appropriate status.

Section V – Certification:

Based on the information contained in this document (all pages), it is my determination that the desired service should be most properly obtained from a hired contractor. I acknowledge that Pacific may hold my department financially responsible for any additional costs due to misclassification.

Name: _____
Department: _____

Extension: _____
Date: _____

Submit the Completed Form to Human Resources:

By signing/e-signing and submitting this form, you acknowledge that you are the authorized Department Administrator, and have reviewed and agree with all information containing in these Determinations.

Signature: _____

Date: _____

Human Resources – Determination:

- Independent Contractor OK to work
- Employee (contact HR for next steps)
- Vendor (not an IC or Employee)

Signature: _____

Date: _____