

Our Employees vs. Independent Contractors

The following adobe acrobat file shows the differences between employees and independent contractors. While the table generally refers to Nurse Registries, the Independent Contractor column pertains to any situation in which a person is deemed an “Independent Contractor”

<b>Item/Cost</b>	<b>Company who Utilizes Employees (Agency)</b>	<b>Company who utilizes independent contractors (Registry)</b>	<b>Purpose</b>
<b>FICA Tax</b>  7.5% Employer 7.5% Employee Independent contractors must pay entire cost	Cost shared by employer and employee	Not collected – entire expense of the employee	Social Security contributions for Employee. This allows employee to later retire and to receive Social Security and Medicare.
<b>Unemployment Tax</b>  2.0% Employer	Paid 100% by employer	Not paid (for independent contractors)	Provides a weekly wage replacement if the employee becomes unemployed.
<b>Federal Tax</b>  <b>Employee cost</b>	Withholds the taxes and pays to the government	Not collected – responsibility of the individual	Income taxes on wages.
<b>Workers Compensation</b>  Entire Employer cost. Fl. State rate is 7.65% of payroll (8835)	Paid 100% by employer	If maintained, covers employees only	Covers expenses for injury of employee while on the job.
<b>Professional Liability Insurance</b>  <b>Employer cost</b>	Paid 100% by Employer – covers all employees	Discretion of company – usually covers <b>employees, only</b> , not independent contractors	Provides coverage for possible injuries or malpractice arising from the professional care provided to resident. The employee must carry this insurance.
<b>Bond</b>  Employer cost-varies by coverage	Paid 100% by employer covers all employees	If purchased, covers <b>employees</b> only, not independent contractors	Provides coverage for property theft or damage

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<b>Criminal Background Screening</b>  Less than \$20 – depending upon service used.	Completed	Completed	All healthcare workers in Florida are required to have a criminal background screening, to assure that those who work with residents have not been convicted of certain crimes which prohibit certain offenders from ever working with the elderly again.
<b>Health Status</b>  100% employee cost	Required to be verified upon hire and every 6 months	Required upon hire. Ongoing – requirements unknown.	Physician proof that person is able to work, and is free from communicable diseases such as tuberculosis.
<b>Verification of Right to work in the US</b>  none	Required	Not required by FS Chapter 400	Verifies if a person has the right to work in the United States.
<b>Supervision of Employee</b>  Varies by company	Required to be done by a Registered nurse	Is not the responsibility of companies using independent contractors. Supervision is provided by the EMPLOYER.	To oversee the care of the client.