



## Independent Contractor Audit

<u>FISCAL YEAR</u>	<u>DUE DATE</u>
2019-2020	04/01/2021

The Office of Retirement Services (ORS) is conducting a review to ensure reporting compliance in accordance with PA 300 of 1980 (Retirement Act). The purpose of this review is to ensure that all individuals meeting the definition of “Independent Contractor” under common law rules are excluded from ORS reports pursuant to the Retirement Act.

To complete our review, each reporting unit is being asked to submit the following three items:

1. Complete list of individuals
2. Specific documentation for each individual
3. Superintendent certification that the information provided is correct and complete.

### Who should be included?

Anyone that has been hired by the reporting unit, directly or indirectly, between July 1, 2019 and June 30, 2020 that meet the definition of “Independent Contractor” under common law rules. This should include all full and part-time contractors, i.e., individuals who were hired to perform reporting unit services through a third-party as well as those who are self-employed. ORS does not expect to see third-party companies (e.g., LLCs, corporations, etc.), only individuals.

Under common law, individuals are employees when they are subject to control over the way they work by the person they are providing services for, that is, control over when they work, where they work, and how they work. The control does not need to be exercised for an employer/employee relationship to exist – the right to exert the control is enough.

For information on determining whether an individual is an employee or an independent contractor, please reference Reporting Instruction Manual article [3.03.08: Independent Contractor \(Under IRS Provisions\)](#).

***If you are still unsure whether an individual is an employee or an independent contractor, please request that the IRS determine employee status by filing form SS-8 (Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding).*** Please inform ORS that you have taken this action by marking the individual as “SS-8 was submitted” on the spreadsheet before returning it to our office.

### What specific documentation is required?

One of the following documents is required for each person that is a confirmed independent contractor:

- IRS form 1099
- IRS form W-9
- Invoice
- 3<sup>rd</sup> party Contract

### How do I send this information to ORS?

Please refer to the detailed instructions within the original email for preparing and sending the **two files** via File Transfer Service (FTS):

1. Spreadsheet: Complete list of individuals.
2. One scanned document containing:
  - a. This form certified and signed by your superintendent.
  - b. Specific documentation for each individual.

**Please do not submit either file via email due to confidentiality rules.**



# MICHIGAN OFFICE OF RETIREMENT SERVICES

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## Section I – Certification

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Please check the box certifying you understand and comply with the following:

- In compliance with the provisions of PA 300 of 1980, we have returned a complete list of all individuals that are confirmed or unconfirmed to be Independent Contractors. For those unconfirmed, we have submitted Internal Revenue Service (IRS) form SS-8 to the IRS.

**OR**

- In compliance with the provisions of PA 300 of 1980, we certify that we do not employ any Independent Contractors.

## Section II – Signature

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REPORTING UNIT NUMBER
REPORTING UNIT NAME
SUPERINTENDENT NAME (PLEASE PRINT)
SUPERINTENDENT SIGNATURE
DATE SIGNED

**Please submit the two files as specified to FTS by April 1, 2021. Please do not submit this information via email.**