



F.Y.I.

from the Policy Unit

FYI-256

Date: January 31, 2020

SUBJECT: IWO – Independent Contractors

Please contact the Policy Unit if you have any questions regarding these or any other changes at DCSS_POLICYQUESTIONS@azdes.gov or call 602-771-8127

This FYI is a reminder that, when processing IWOs, there are times when an NCP may be working as an independent contractor – not as an employee. An independent contractor is considered self-employed.

When contacting an employer for information it might be helpful to ask whether the NCP is working as an employee or as an independent contractor.

During tax season there is a simple way to determine if an NCP worker is an employee or an independent contractor. IRS guidelines state:

An employer will use **Form W-2, Wage and Tax Statement** to report wages **paid to an employee**.

An employer will use **Form 1099-MISC, Miscellaneous Income** to report payments to a **person who's not an employee**. An independent contractor will receive Form 1099 during tax season.

Form 1099 contains valuable information. It shows how much money was paid during the year to a recipient, the name/address of that recipient, and the recipient's tax identification number.

Send the IWO to the company or person named as the recipient. The recipient's tax identification number will either be the company's federal tax ID number or the NCP's personal SSN number.

DCSS colleagues are urged to view this information directly on The PORT and not create a separate personal file.

**Please do not reply directly to this message as we will not be able to respond. This email address is only used for outgoing mail*

