



# **F.Y.I.**

**from the Policy Unit**

**FYI-269**

**Date: March 25, 2020**

## **SUBJECT: Defining Employee vs. Independent Contractors for Income Withholding Orders**

Please contact the Policy Unit if you have any questions regarding these or any other changes at [DCSS\\_POLICYQUESTIONS@azdes.gov](mailto:DCSS_POLICYQUESTIONS@azdes.gov) or call 602-771-8127

This FYI is a reminder that Income Withholding Orders (IWOs) apply to both:

- An employer, and
- An income provider who makes payments to non-employees or independent contractors

When an individual submits a tax return, the IRS uses the following guidelines to determine whether a taxpayer is an employee or an independent contractor:

- 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 and is considered an independent contractor.

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

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