



Defining workers and contractors for your premium calculation.

Sometimes it can be difficult to distinguish between employees and contractors. To make the process easier we have developed this simple guide for employers. It can be used to assist employers in determining who is an employee for workers compensation purposes.

For more detailed information please refer to the State Insurance Regulatory Authority (SIRA) NSW website – sira.nsw.gov.au

A contractor is more likely to:

- Be engaged to carry out a particular task using his/her own skills and judgement;

- Employ others, delegate or sub-let work to another;
- Be paid on the basis of a quotation for the job;
- Supply his/her own tools and materials;
- Carry on a business independent from the employer in his/her own name or under a business firm name;
- Be submitting their own pay as you go (PAYG) tax submission.

An employee is more likely to:

- Be subject to direction from the employer as to the work to be performed and time and manner in which it is performed;

- Be required to actually carry out the work;
- Be paid on a time basis;
- Have tools and materials supplied by the employer;
- Work exclusively for a single employer;
- Work the same days and/or hours on a regular basis and may hold an ABN without their own workers compensation policy.

Important note: It should be noted that the status of a person for tax purposes or ABN holding bears no direct relationship to that person's status as a worker for workers' compensation purposes.

1800 810 213
guildinsurance.com.au/gel



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