

Employee Vs. Contractor



Pay Structure

Employee: Gets paid a guaranteed salary or a wage, usually bi-weekly or monthly.

Contractor: Receives or writes a contract for services provided and gets paid according to the contract.

Taxes

Employee: Receives a W-2 form to file taxes which shows how much you paid in taxes for the year.

Contractor: Receives a 1099 form showing payment for services. Taxes are not taken out and are the responsibility of the contractor.



Work Structure



Employee: Has a set schedule that is enforced by a supervisor.

Contractor: You decide how the work is completed based on contract terms & type of project.

Supervision

Employee: Reports to a supervisor and has to complete the tasks assigned.

Contractor: Little to no supervision, you are your own boss.



Benefits

Employee: If you work full-time, you may receive insurance, Paid Time Off, tuition reimbursement, or worker's compensation.

Contractor: Getting to do work you enjoy on a flexible schedule while building your own brand.

Job Security



Employee: Generally secure due to protection from labor laws & ability to receive benefits.

Contractor: You create job security by finding projects to work on.