

# Independent contractor agreement policy

## Independent Contractor Agreement Policy Template

### 1. Introduction

This Independent Contractor Agreement Policy outlines the terms and conditions for engaging independent contractors at [Company Name]. It is important for hiring managers to follow this policy when onboarding new independent contractors to ensure compliance with all relevant laws and regulations.

### 2. Definition of Independent Contractor

An independent contractor is defined as a self-employed individual or entity who provides services to [Company Name] on a non-employee basis. Independent contractors are not considered employees of [Company Name] and are responsible for their own taxes, insurance, and benefits.

### 3. Onboarding Process

- Prior to engaging an independent contractor, hiring managers must complete a thorough evaluation of the contractor's qualifications, experience, and references.
- Once a decision has been made to engage an independent contractor, a written agreement must be drafted outlining the scope of work, payment terms, and other relevant details.
- The independent contractor must sign the agreement before commencing work for [Company Name].

### 4. Compliance with Laws and Regulations

Hiring managers must ensure that all independent contractors comply with federal, state, and local laws and regulations, including but not limited to tax laws, labor laws, and licensing requirements. Failure to comply with these laws could result in legal consequences for both the independent contractor and [Company Name].

### 5. Confidentiality and Non-Disclosure

Independent contractors may have access to sensitive information about [Company Name] and its clients. Hiring managers must ensure that independent contractors sign a confidentiality and non-disclosure agreement to protect this information from unauthorized disclosure.

## **6. Termination of Agreement**

If it becomes necessary to terminate the agreement with an independent contractor, hiring managers must follow the procedures outlined in the agreement. This may include providing notice of termination and settling any outstanding payments.

## **7. Conclusion**

By following this Independent Contractor Agreement Policy, hiring managers can ensure that the onboarding process for new independent contractors is conducted in a compliant and efficient manner. It is important to consult with HR or legal counsel if there are any questions or concerns about engaging independent contractors at [Company Name].

Sources:

- Independent Contractor vs. Employee:

<https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee>

- Independent Contractor Agreement Template:

[https://www.shrm.org/resourcesandtools/tools-and-samples/policies/pages/cms\\_020030.aspx](https://www.shrm.org/resourcesandtools/tools-and-samples/policies/pages/cms_020030.aspx)