



## **INDEPENDENT CONTRACTOR**

**#6-13**

Approved by:	Leadership Team
Effective Date:	June 13, 2001
Date of Approval:	June 13, 2001
Date to be Reviewed:	2006
Administrator Responsible:	Vice President, Finance & College Services

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### **POLICY**

**At times, services are provided to the College under arrangements where an employer/employee relationship does not exist. The College may contract for these services with self-employed ‘independent contractors’ who are not incorporated companies or registered societies. The provision of such services is restricted by the College’s collective bargaining agreements.**

### **PURPOSE**

This policy is intended to protect North Island College from potential liability from Canada Customs and Revenue Agency insurance claims, Workers’ Compensation Board and/or disability claims arising when there is uncertainty as to the employment status of an individual. Where an employer/employee relationship exists in respect of the performance of services, the College is required by law to provide statutory benefits Canada Pension Plan, Employment Insurance and Workers’ Compensation Board and to follow specific source deduction and reporting procedures. It is therefore important that those who negotiate contracts for services be aware that self-employment results in the College not making Canada Pension Plan, Employment Insurance and Workers’ Compensation Board contributions on behalf of the independent contractor and they should follow the procedures and guidelines set out by the North Island College Finance Department.

### **GUIDELINES**

1. Independent contractors must complete and sign a standard North Island College ‘Services Contract’.
2. To determine Independent Contractor status follow the standard ‘Services Contract’ features available from North Island College Finance Department.

3. If North Island College enters into a contract with an independent contractor and subsequently finds an employer/employee relationship exists, the contract will be treated as an employment contract. Appropriate deductions will be taken and a T4 issued in the year in which North Island College recorded the invoice. This does not include reimbursements for travel and other expenses.

**Definitions:**

Independent Contractor: An independent contractor is not an employee of North Island College. An independent contractor is not a limited company or registered society.

Services Contract: A standard contract for independent contractors operating within guidelines set out by the North Island College Finance Department.

**Cross Reference:**

See also Honorarium Policy #6-09

See also Finance Department Procedures Manual