FREE PRINTABLE CHECKLIST · LINKUN FOUNDATION

Independent contractor checklist

How to hire and pay a 1099 contractor the right way, from checking classification to filing year-end forms.

Use this with the Hiring Toolkit, which explains how to tell a contractor from an employee.

Before you hire

- [ ] Confirm the work is a defined project with a result, not ongoing work you direct.
- [ ] Check that they run their own business: other clients, their own tools, a business license or website.
- [ ] In California, check the work against the ABC test: free from your control, outside your usual business, and their own established trade.

Paperwork

- [ ] Collect a signed Form W-9 before the first payment.
- [ ] Sign a written agreement with the project scope, deliverables, deadline, price, payment terms, ownership of the work, and confidentiality.
- [ ] Get a certificate of insurance if they'll work at your site or a client's site.

During the project

- [ ] Let them decide how, when, and where to do the work.
- [ ] Pay against invoices for completed milestones.
- [ ] Keep copies of invoices and payments.

Year end

- [ ] File Form 1099-NEC by January 31 for each contractor paid above the IRS reporting threshold (confirm the current amount with your tax preparer).
- [ ] In California, check whether you must also report contractors to the EDD (Form DE 542).

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