

Independent Contracting and the “Gig” economy

An introduction to the pluses and minuses of being
a 1099 worker in the “Gig” economy

What are the topics
being covered?

- What is the “Gig” economy?
- What drives the “Gig” economy?
- What are the differences between an IC and an employee?
- What will be in the “specification”?
- What is a “Work Provider”?
- Where will I find “Gigs”?
- What resources may I need?
- Do I need to get a business license?

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What is the “Gig” economy?

- The “Gig” is in effect a micro contract for your labor that you have agreed to perform under certain agreed terms and conditions.
- This could be in any part of the economy but is especially prevalent in the service industry.
- Familiar examples might be an on-stage performance, an Uber journey, mystery shopping, home based teleworking, house or pet sitting.
- There are many of these jobs in the professional and technical fields such as computer programming, software design, data entry

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What drives the “Gig” economy?

- **Businesses looking for flexible, cost effective solutions to delivering their products or services**
- **Industries, in full or in part, looking to minimize labor management costs**
- **Workers looking for temporary, supplementary, and flexible job opportunities**

What are the differences between an IC and an employee?

- You only get paid for the specific work you provide
- You do not have any entitlements to paid or unpaid time off
- You are not taxed at source (but tax may still be due at the end of the tax year)
- You are responsible for some or all the equipment and resources needed to perform the contract

What are the differences between an IC and an employee?

- You have some or full choice of what work to accept
- You will perform the job to a “specification” (covered later)
- You will have signed some form of overarching contractual agreement to the work provider covering issues such as confidentiality, ethics, intellectual property, terms of payment, liability waiver, dispute resolution

What will be in the
“specification”?

- The specification may be the same for each “Gig” or may vary. Each gig is a “micro contract” adding to what is in the “Overarching” contract.
- The specification will look at the where, when, how, as well as the skills needed and compensation for the “Gig”.
- It can also detail the equipment and resources you need to provide, any additional expenses that will be paid.

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What is a “Work Provider”?

- This term is used because the work provider is not always the business or individual needing the “Gig” to be done.
- A work provider might be a hiring agency, a market research company, a third-party app provider.
- For example nearly all mystery shopping contracts are offered by Market Research Companies on behalf of clients. Many clients are well known brands such as Walmart, McDonalds, Bank of America, Chevron, Jiffy Lube etc.

What info will the work provider ask me for?

- **The usual basics required for a regular job – SSN, Name/Address, Contact details.**
- **Demographics – Age, gender, preparedness to travel to gigs (if not at home), days available, times available.**
- **Resources – Car owner, type of computer equipment, type of phone/tablet.**



What training is available?

- The usual expectation is that you already have the core skills to do the “gig”
- Some work providers will provide online training, especially related to the specific client requirements for the “gig”
- Some sector associations provide training certification e.g. mystery shopping, teleworking and data entry (usually with a fee)

Where will I find
“Gigs”?

- Regular job sources such as Indeed, Hiring agencies, Ads in publications
- Work provider or “IC Search” engine job boards
- Referral from an existing IC
- Be wary of direct emails and Craigslist ads

What resources may
I need?

- Smartphone with camera (nearly always)
- Computer or Tablet (nearly always)
- Printer / scanner (nearly always)
- Hi Speed Internet (if performing uploading or downloading for the “gig”)
- Reliable vehicle (if travel required)
- Work provider specific apps/software
- Business productivity apps/software



Do I need to get a
business license?

- Not necessarily. It depends on the "gig" industry you are working in and how many hours you are likely to work.
- There are some tax advantages to operating your "gig" work as a business and for that you might want to create a legal entity and license it
- If you have a CPA or Tax adviser, talk to them about your options