**COACHES AND INSTRUCTORS**
**Club Employee or Self Employee Contractor?**

Do you employ your coaches and instructors or are they contractors or self-employed? Many clubs are confused about the difference and what it means.
Many factors can come into play when determining how a working arrangement should be set up. There is a difference in how the government views a contract of service (employee-employer relationship) and a contract for services (Business relationship) and that the employment status is reflected in the actual terms and conditions of the working relationship.

Some factors to consider to help determine a worker's employment status are below. Important to note that only some need to be in place to have the person classified in either category. Situations are evaluated individually.

**Control**
How much control does the payer have over the worker's daily activities and how much influence do they have? (Note the question is not if the right to control is exercised but the actual right to control that matters).
Indicators of employees
- Payer chooses and controls method and amount of pay
- Payer decides what jobs the worker will do
- Worker receives training or direction from payer on how to do work
- Payer controls worker with respect to results of work and method used, general work environment of subordination including hours etc.

Indicators of Self Employed
- Works independently with no one overseeing their activities
- No degree of continuity, loyalty, security or integration which are all signs of an employee relationship
- Worker free to work when and for whom they chose, can provide services to different payers at same time.
- Organization can end the contract for services, but cannot discipline the individual.

**Tools and Equipment**
Is the worker responsible for the tools and equipment needed to do the work? This would include replacement, repair and insurance of tools. A significant investment by the worker diminishes the control a payer has over the work.
Indicators of employees
- Payer supplies tools and equipment, is responsible for repairs, maintenance and insurance
- Payer retains a right to use tools and equipment provided to worker

Indicators of Self Employed
- Worker provides equipment and responsible for ongoing costs
- Worker supplies worksite and does substantial work from that site
- Worker has made significant investment and retains right to use the asset

**Subcontracting Work or Hiring Assistants**

Indicators of employees

- Worker cannot hire helpers or assistants
- Worker cannot send a replacement but has to do work personally

Indicators of Self Employed

- Worker can hire another person to carry out work
- Payer has no say in who worker hires

Financial Risk and Opportunity for Profit

Indicators of employees

- Worker not responsible for operating expenses
- Worker not financially liable, even if they do not fulfil obligations of the contract
- Working relationship is continuous
- Payer choses and controls method and amount of pay
- Workers have no chance of profit (exceeds of proceeds over expenses, not bonuses) or financial loss
- Individual cannot subcontract her or his work to anyone else.

Indicators of Self Employed

- Worker hires and pays helpers to assist in work
- Worker does substantial amount of work from own workspace and incurs expenses related to operation of workspace
- Worker hired for specific job rather than ongoing relationship
- Worker advertises and actively markets services
- Worker does not receive any protection or benefits from payer
- Worker is financial liable if they do not fulfil obligations of contract.
- Worker can increase the proceeds or limit expenses to increase their profit
- Worker charges flat fee and incurs expenses in carrying out services

It is important to ensure the relationship you have with the people working for the club accurately represents the relationship that exists, otherwise the club is at risk of having to pay penalties.

The onus is on the employer to prove that the individual is a contractor not an employee. Remember that an individual can still be an employee even if they:

- Agree to be an independent contractor
- Charges HST
- Submits invoices

If the relationship is an employee – employer working relationship than employers are responsible for deducting Canada Pension Plan (CPP) contributions, EI premiums, and income tax from remuneration or other amounts they pay to their employees. Employers must remit these deductions along with their share of CPP contributions and EI premiums to the Canada Revenue Agency (CRA). An employer who fails to deduct the required CPP contributions or EI premiums has to pay both the employer's share and the employee's share of any contributions and premiums owing, plus penalties and interest.

RESOURCE – Canada Revenue Agency RC4110 Employee or Self Employed?
http://www.cra-arc.gc.ca/E/pub/tg/rc4110/rc4110-16e.pdf