

Q&A: Your employment status

Q: Am I an employee, self-employed or an independent contractor?

A: This continues to be the number one question asked by ODHA members and it is not a simple answer.

Many members believe that it is their choice to be either self-employed or an employee, but the reality is that you must fulfill the criteria set out by Canada Revenue Agency (CRA) in obtaining self-employment status. It is not a choice but a fact of your employment environment.

CRA publishes a booklet entitled *Employee or Self-Employed?* (publication #RC4110) that is available on-line at www.cra-arc.gc.ca or you can call the ODHA office for a copy. The booklet outlines the four criteria that need to be fulfilled in order to obtain self-employment status - control, ownership of tools, chance of profit/risk of loss and integration. For full discussion of these criteria please refer to the booklet.

Each employment situation must be reviewed on its own merits. If you work regularly and exclusively for one dentist, you are not likely to be self-employed. Also, working at several locations does not in itself make you self-employed. It is possible to be self-employed in one office and not in another, and a contract is no guarantee of self-employment.

The only way to be certain you meet the criteria set out by CRA is to obtain a ruling. Form CPT1 – “Request for a ruling as to the status of a worker” - is also available on the CRA Web site. Once either the worker or the employer submits a ruling, CRA will review it and contact both parties for more information.

For a dental hygienist to be truly self-employed, in most cases it must be a combined effort by both the dentist and the dental hygienist. Therefore, it is advisable that you communicate with your employer.

It is difficult to convey all the information regarding self-employment in a few paragraphs.