

Canada Independent Contractors Compliance Guide

What is the difference between a worker and an independent contractor in Canada, and does each province have its own regulations that govern the determination?

Independent contractors in Canada are sometimes known as Self-Employed individuals. In all provinces, whether an individual is an independent contractor or a worker, there are several factors used to determine whether an individual is Self-Employed or a Worker.

1. The level of control the company has over the individual's activities
2. Which party provides the tools and equipment that will be used to perform the work
3. Whether the individual can subcontract or hire others to perform the work
4. The degree of financial risk the individual has
5. The individual's opportunity for profit and loss
6. Other relevant factors, such as a written contract between the parties that indicates their desired relationship.

In Quebec, the considerations are a bit different, and the factors considered are

1. The individual carrying out the work
2. How the individual is paid for the work
3. Whether there is a relationship of subordination.

While most provinces follow the same test, it is important to note that each relationship will be different, so an individual performing work for one company may be an independent contractor, but another doing similar work may be a worker at their company.