Being an Independent Contractor vs. Employee

Maybe you've never thought about the difference between being an employee and being an independent contractor (also called a "consultant"). In many respects, there seems to be no difference at all. Often, independent contractors and employees work side by side at the same company, even doing the same or similar work.

But there are very important legal differences between being a contractor and an employee.

These differences go beyond job title. In fact, sometimes the job title doesn't match the legal classification-and sometimes job titles are changed to get around legal obligations. Your employment status affects many issues such as employment benefits, tax implications, and liability. If you are accepting a job offer to be an independent contractor, you should know some of the key differences.

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