

**Independent
Contractor**

**Is she or
isn't she?**

Get the talent you need
while reducing the cost
and risk of engaging
independent contractors

YURCOR

CONTINGENT
WORKFORCE
PROCUREMENT

Independent Contractor Compliance is a Messy Business



Section 530 safe harbor

IRS Audit

Benefit Plans

Back Taxes

Sarbanes-Oxley

Interest

Personal Liability

Penalties

But your business still needs top talent

Today's business demands require access to top talent. An important segment of these workers expect to work as independent contractors, but engaging them as 1099s can create many kinds of risk.

Worker misclassification cost Microsoft \$97 million in benefits payments in the late 1990s. The same issue more recently is costing Fedex \$319 million with a potential exposure of more than \$1 billion. Could this happen to you?

The IRS 20-factor common-law standard is the ultimate test of worker classification, but has been difficult to administer. Section 530 of the Revenue Act of 1978 attempted to provide some relief by providing a safe harbor for worker classification based on consistent classification and industry practice, but enforcing consistency across an organization is difficult.

IRS and state enforcement are increasing as government agencies seek to recover lost revenues. Federal and state regulations are hard to interpret. Forcing everyone to work as W-2s prevents you from using workers at the top of the talent pyramid, so what are you to do?

Misclassification Risk

1. Back Taxes, including employer and employee contributions
2. Invalidation of benefit plans and back benefits equivalent to those provided to employees
3. Pension contributions and profit sharing
4. Fines and interest from federal and state agencies
5. Uninsured liabilities
6. Personal criminal liability of executives

Yurcor ICQ is a proven online evaluation tool that produces clear, consistent and documented assessments of independent contractor status

Yurcor ICQ enables you to get the talent you need while reducing the cost and risk of engaging independent contractors. ICQ is a proven online evaluation tool that produces a clear, consistent and documented assessment of independent contractor status based on the IRS 20-question test and HR case law.

ICQ uses the web to make the evaluation process fast and easy. Automated emails guide the consultant, and optionally a supervisor to online surveys. Completed surveys generate an ICQ report that provides a clear assessment and highlights any discrepancies between consultant and supervisor responses.

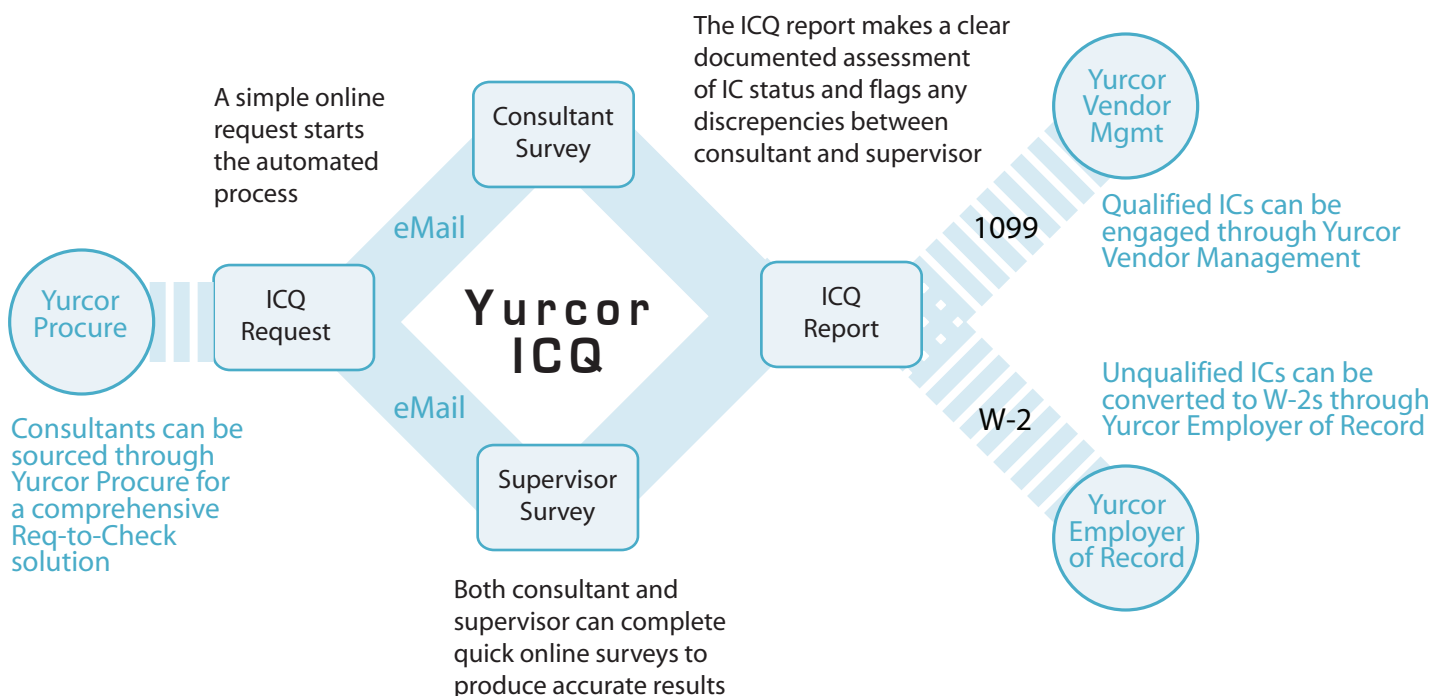
Having a consistent documented process becomes very important in an audit situation. ICQ is a proven solution that has been adopted and co-branded by leaders in the contingent workforce management industry.

ICQ is cost effective and can be integrated with procurement on the front end, and vendor management and employer of record on the back end to provide a comprehensive contingent workforce management solution. With ICQ, you can get the independent talent your business demands without the risk.

ICQ Benefits

1. Based on IRS 20-question test and HR case law
2. Consistent, repeatable process
3. Can evaluate both supervisor and contractor points of view for a more accurate assessment.
4. Creates documentation that is useful in an audit situation
5. Fast and easy to use web tool
6. Proven system adopted by industry leaders

A clear, consistent, documented process



ICQ - INDEPENDENT CONTRACTOR QUALIFICATION

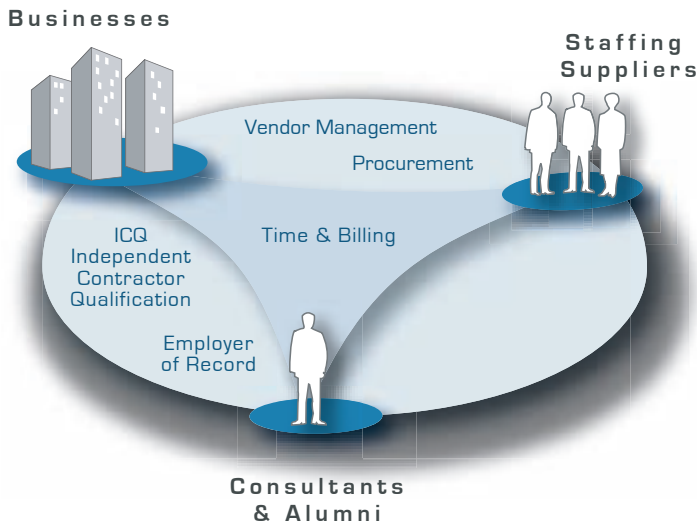
ICQ is a key component of Yurcor's Contingent Workforce Procurement web services that reduce the cost and risk of engaging consultants.

Yurcor does not do any sourcing. This vendor-neutral position enables Yurcor to serve all the participants in the talent supply chain equally.

Businesses use Yurcor to engage consultants from staffing suppliers and independent contractors in a compliant manner.

Staffing Suppliers use Yurcor solutions to run their back office and offer procurement solutions to clients.

Consultants use Yurcor solutions as their back office and for portable health and wealth benefits.



"Yurcor's Platform is the best solution for our global business. Yurcor's Platform is comprehensive, it is easy for all parties to use, and it has the ability to scale to meet the needs of our rapidly growing business."

CEO, Global Contingent Workforce Management Firm

For an evaluation of your needs and to see ICQ in action, call us at 561.278.1351



ICQ

*"We use ICQ to manage the risk of paying independent contractors as 1099s. It's easy. It works."
 Director Procurement*

ICQ is part of Yurcor's Contingent Workforce Procurement web services that reduce the cost and risk of engaging consultants.

Vendor Management

Consolidate and manage suppliers in a compliant environment.

Procurement

Consolidate and streamline consultant requisitioning from suppliers on the web.

ICQ - IC Qualification

Get the talent you need while managing the risk of engaging independent contractors.

Employer of Record

Use third-party payrolling to engage independent contractors as compliant W-2s.

Time & Billing

Consolidate time and expense billing and payment over the web.

YURCOR.COM

Yurcor

100 East Linton Blvd., Suite 401A
 Delray Beach, FL 33483
 561.278.1351
 561.278.1408 fax