

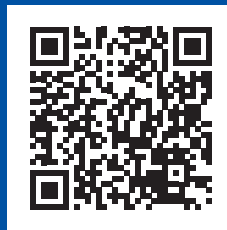
## Montana State Fund is here to help

The status of your ICs may be reviewed and evaluated during a premium audit. The premium audit process is an opportunity to better understand your business and ensure accurate payroll reporting for premium determination. Your Montana State Fund Auditor is knowledgeable and can help review your use of Independent Contractors and navigate the complexities of the workers' compensation system.

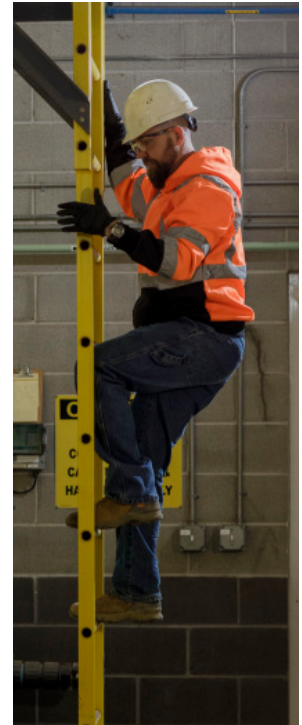
Your policyholder team is available as well. Please call us at 406-495-5000 with any questions.



Montana State Fund 



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Independent Contractors  
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Working with  
**Independent Contractors**

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## Working with Independent Contractors

Businesses in Montana have many options for labor and support. An Independent Contractor (IC) is a person, other than an employee, who is hired to provide services at your business location or worksite. For example, a general contractor who hires a specialty trades person.



If you enter into an agreement with others to perform duties for you, Montana law requires you to maintain and provide access to the following records for each of them:

- A certificate of workers' compensation coverage or
- An Independent Contractor Exemption Certificate (ICEC) issued by the Montana Department of Labor and Industry.

Montana State Fund is here to help navigate any confusion related to Independent Contractors and workers' compensation insurance coverage.



## Workers' Compensation Insurance and Independent Contractors

To be an exempt Independent Contractor in Montana, a worker must:

- Be free from control or direction.
- Be engaged in their own independently established business, occupation, trade or profession.
- Hold a valid Independent Contractor Exemption Certificate.

All Independent Contractors, including those from out of state, **MUST** have workers' compensation insurance for themselves and their employees. Or, they must have an Independent Contractor Exemption Certificate from the State of Montana's Department of Labor & Industry.

If you hire someone who you thought was an **exempt** Independent Contractor, but in actuality qualifies as an **"employee"** of your business per Montana workers' compensation law, you are responsible for paying the workers' compensation premium for their work.



## Suggestions for effectively working with Independent Contractors:

To help establish and maintain a proper business-and-IC relationship, consider the following when hiring ICs:

- Ask for proof of their ICEC, and verify it is in good standing with the State of Montana's Department of Labor & Industry by checking their website or calling 406-444-7734.
- Do not control the method and means of how they perform their work, i.e., providing equipment and training.
- Have a written contract that states what is to be performed, materials used, start and completion dates, payment based on completed project, and liability for failure to complete the project.
- Obtain references to ensure they are experts in their field of work.
- Check periodically to confirm that they have a valid ICEC or workers' compensation insurance on themselves.