

REVENU  
QUÉBEC



FAIR.  
FOR ALL.

A photograph of a man with short brown hair and a light beard, smiling warmly. He is wearing a dark navy blue blazer over a light blue V-neck sweater. His arms are crossed over his chest. The background is a blurred office setting with bookshelves.

**EMPLOYEE OR  
SELF-EMPLOYED  
PERSON?**

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[www.revenuquebec.ca](http://www.revenuquebec.ca)

As a worker, you can be either a **self-employed person** or an **employee**. The distinction is important, as your tax obligations differ depending on your status.

A self-employed person is an individual who operates a business to make a profit and who may or may not have employees.

For information on the tax obligations of self-employed persons, refer to *Are You Self-Employed? Taxation Reference Tool* (IN-300-V).

## CRITERIA USED TO DETERMINE YOUR STATUS

You are considered to be **self-employed** if you are free to choose the means of carrying out a contract and no relationship of subordination exists between you and your client.

Conversely, you are considered to be an **employee** if, under a written or verbal contract, you undertake for a limited time to do work for remuneration under the direction or control of an employer.

More specifically, your status is determined by the following six criteria:

- subordination to an employer
- financial liability
- ownership of tools
- the degree to which your work is integral to the activities of your work provider
- whether your work ends upon achieving a specific result
- the agreement between you and your work provider

The six criteria are described in further detail below and in the current version of interpretation bulletin RRQ. 1-1, *Status of Workers*.

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## Subordination to an employer

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Subordination to an employer is **the most important criterion** for determining whether you are self-employed or an employee.

If you are **self-employed**, you are not subordinate to an employer—your client does not usually set your work schedule or decide where or how you will do the work. Nor can your client prevent you from getting help, hiring a substitute or offering your services to more than one client.

If you are an **employee**, however, you are subordinate to your employer, in that he or she:

- determines the conditions of your hiring and firing;
- sets your schedule and decides where you will work;
- defines your tasks and work methods;
- manages your activities and those of any substitute;
- controls the execution of your work and that of any substitute;
- may take disciplinary action against you.

Your employer also assumes the cost of any damages you may cause in performing your tasks, and generally covers expenses related to training, professional development and your workplace.

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## Financial liability

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Your level of financial liability helps determine the nature of the relationship that exists between you and your client or employer.

If you are **self-employed**, you can earn profits; however, you can also incur losses. In addition, you must cover your business's operating costs, such as the cost of meals, transportation and accommodation.

If you are an **employee**, your employer covers the business' operating costs, and you assume no financial risk. Losses incurred by the business therefore have no direct effect on your salary. You are also entitled to annual vacation, paid leave and fringe benefits.

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## Ownership of tools

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Determining who owns the tools at your disposal (that is, all the items, instruments, equipment and materials needed to carry out your work) can also help determine your status.

If you are **self-employed**, you usually supply your own tools and cover the related costs.

If you are an **employee**, you generally use tools owned by your employer, who covers the related costs (such as the cost of financing, operation and repairs).

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## The degree to which your work is integral to the activities of your work provider

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This criterion must be considered from your point of view.

If the services you render are not part of the business's usual activities (for example, if you are an outside consultant), you are **self-employed**. As such, you can offer your services to more than one client.

If, however, the services you render are integral to the business's activities, you are probably an **employee**. For example, you may be considered an employee if you:

- sell a business's products and sales are among the business's activities; or
- earn income primarily by working for a single employer.

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## Whether your work ends upon achieving specific result

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If your services are retained for the purpose of completing a specific task, and you are free to determine the methods you will use to achieve the desired results, you are **self-employed**. In such a case, your business relationship with your client ends once those results have been achieved.

If, however, you personally entered into your employer's service for a certain period of time, you are an **employee**.

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## The agreement between you and your work provider

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Various aspects of the agreement between you and your work provider that determines your working conditions may be taken into consideration, such as:

- payment of CNESST premiums in respect of your salary;
- the overall interpretation of your contract and the terms of its renewal;
- eligibility for your employer's group insurance plan; and
- severance pay.



# ARTISTS

If you are an artist and your services have been retained under an employment contract, your employer has the same obligations under Québec tax legislation as any other employer.

However, you may choose to be considered self-employed if, in a given year:

- you signed contracts with one or more producers; and
- you worked in a field of artistic endeavour covered by the *Act respecting the professional status and conditions of engagement of performing, recording and film artists*.

If, as an artist resident in Canada, you inform a producer that you have chosen to be considered self-employed, the producer has none of the fiscal obligations an employer would have with regard to you.

For more information, refer to the current version of the following interpretation bulletins:

- *Fiscal obligations of a person who employs an artist working in one of the fields of artistic endeavour covered by the Act respecting the professional status and conditions of engagement of performing, recording and film artists* (IMP. 1015-5)
- *The fiscal status of an artist working in one of the fields of artistic endeavour covered by the Act respecting the professional status and conditions of engagement of performing, recording and film artists* (IMP. 80-3).

# IMPORTANCE OF DETERMINING YOUR STATUS

Even if you consider yourself to be self-employed or are considered as such by your work provider, you may still be considered an employee according to our criteria. Your employer might even encourage you to become self-employed; however, the fact that you and your employer agree on your status does not mean we will consider you to be self-employed—we may, during an audit, assess the situation and conclude that you are actually an employee. In such a case, your employer would then have to pay the employer contributions that should have been remitted.





# HELP IN DETERMINING YOUR STATUS

If you and your employer disagree on your status, you can ask us for a ruling by filing the following forms:

- *Application for Determination of Status as an Employee or a Self-Employed Person (RR-65)*
- *Questionnaire for Determination of Status as an Employee or a Self-Employed Person (RR-65.A)*

The Canada Revenue Agency also publishes a guide for employers and workers entitled *Employee or Self-Employed?* (RC4110).

Note that our criteria may differ from those used by other government departments and agencies. We are not bound by decisions concerning a worker's status rendered by other government bodies under laws other than those that we administer.

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This publication is provided for information purposes only. It does not constitute a legal interpretation of the *Taxation Act* or any other legislation.

# TO CONTACT US

## Online

[www.revenuquebec.ca](http://www.revenuquebec.ca)



## By telephone

### Individuals and individuals in business

Monday to Friday: 8:30 a.m. to 4:30 p.m.

Québec City <b>418 659-6299</b>	Montréal <b>514 864-6299</b>	Elsewhere <b>1 800 267-6299</b> (toll-free)
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### Businesses, employers and agents for consumption taxes

Monday, Tuesday, Thursday and Friday: 8:30 a.m. to 4:30 p.m.

Wednesday: 10:00 a.m. to 4:30 p.m.

Québec City <b>418 659-4692</b>	Montréal <b>514 873-4692</b>	Elsewhere <b>1 800 567-4692</b> (toll-free)
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### Complaints – Bureau de la protection des droits de la clientèle

Monday to Friday: 8:30 a.m. to noon and 1:00 p.m. to 4:30 p.m.

Québec City <b>418 652-6159</b>	Elsewhere <b>1 800 827-6159</b> (toll-free)
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### Individuals with a hearing impairment

Montréal <b>514 873-4455</b>	Elsewhere <b>1 800 361-3795</b> (toll-free)
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## By mail

### Individuals and individuals in business

#### Montréal, Laval, Laurentides, Lanaudière and Montérégie

Direction principale  
des relations avec  
la clientèle des particuliers  
Revenu Québec  
C. P. 3000, succursale Place-Desjardins  
Montréal (Québec) H5B 1A4

#### Québec City and other regions

Direction principale  
des relations avec  
la clientèle des particuliers  
Revenu Québec  
3800, rue de Marly  
Québec (Québec) G1X 4A5

### Businesses, employers and agents for consumption taxes

#### Montréal, Laval, Laurentides, Lanaudière, Montérégie, Estrie and Outaouais

Direction principale des relations  
avec la clientèle des entreprises  
Revenu Québec  
C. P. 3000, succursale Place-Desjardins  
Montréal (Québec) H5B 1A4

#### Québec City and other regions

Direction principale  
des relations avec  
la clientèle des entreprises  
Revenu Québec  
3800, rue de Marly  
Québec (Québec) G1X 4A5

### Complaints – Bureau de la protection des droits de la clientèle

Revenu Québec  
3800, rue de Marly, secteur 3-4-5  
Québec (Québec) G1X 4A5

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Cette publication est également disponible en français et s'intitule *Travailleur autonome ou salarié?* (IN-301).

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