

**On Your Terms Episode 64:**  
**Hiring Contractors**  
**[Everything Business Owners Need to Know]**

**Sam Vander Wielen:** [0:00:11] Hey, there. Welcome back to On Your Terms. I'm your host, Sam Vander Wielen, attorney turned entrepreneur who helps you legally protect and grow your online business using my DIY legal templates and the ultimate bundle.

**Sam Vander Wielen:** [0:00:05] I'm so excited to chat with you today. It's just such a beautiful day here. Honey and I took an early morning walk and it was like - it was one of those mornings where I can tell I'm recording this in mid-September.

**Sam Vander Wielen:** [0:00:32] And I can just tell that although everything still green and it's still beautiful out, you can see that things are shifting and I was like watching leaves just slowly fall from the air. And I was like, oh man, I love fall. I'm also just trying to like savor where we're at.

**Sam Vander Wielen:** [0:00:46] And honestly, it's also very strange for me like my dad died at the very beginning of the summer. Like summer was basically starting. And I don't even remember the first half of the summer. And I would say by the time I kind of remember, after that I just felt a lot of resistance to being like, I don't want to go through a season without him.

**Sam Vander Wielen:** [0:01:07] Like, this might sound very strange to you if you've never lost someone really close to you, but there's like this resistance to like moving on and like, this is my first summer ever without my dad. It's so crazy.

**Sam Vander Wielen:** [0:01:19] And now, it's like my first transition into a season and like fall and we love fall. And we

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would like watch football every weekend. I'm just like, this is so weird. I simultaneously, you know, excited about it because I love cooler temps, but I also like I don't want to go through this. It's very, very strange. I have to tell you.

**Sam Vander Wielen:** [0:01:36] But that's kind of what's going on over here. The only other thing I wanted to tell you before we hop into today's episode all about, you know, do you need to hire a contractor or an employee? Why does the difference matter? How do you treat somebody like a contractor to avoid harsh legal penalties, like all this kind of stuff?

**Sam Vander Wielen:** [0:01:53] I just want to tell you that for one, if you haven't yet, make sure you tap link below to sign up for my email list. I started an easy email list signup where you can get on my e-mail list and just start receiving my emails without going through a marketing funnel because I started a legal Q&A column every single Thursday. I take a reader's question and they answer it for all of you. And they've been so good so far.

**Sam Vander Wielen:** [0:02:17] People have really, really been loving these legal Q&As. I call it Sam's Sidebar. And you can submit your question there. So, make sure you tap below to get onto my email list. No massive marketing emails or anything like that. Just straight up advice for your online business.

**Sam Vander Wielen:** [0:02:32] And on Mondays, I usually send out more of a behind the scenes email of business tips. Sometimes it's an extralegal tip behind the scenes of building a multi

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seven figure business, so all that can land in your inbox if you just tap below.

**Sam Vander Wielen:** [0:02:45] So, why is this topic important? Why are we talking about contractors and employees? So, you might be getting ready to hire. You might already have some people with some contractors working for you or even an employee.

**Sam Vander Wielen:** [0:02:56] People ask about this so often, and I feel like I've learned so much from hiring both contractors and employees. And I helped so many business owners do the same when I was a practicing attorney.

**Sam Vander Wielen:** [0:03:08] And this is just an area where we need to get this right, because otherwise we can really land in legal hot water. And I don't say that very often, but especially when it comes to employees, we really, really need to make sure that we get this right.

**Sam Vander Wielen:** [0:03:21] So today, I talked to all about, you know, what is the difference between an independent contractor and an employee. Legally speaking, how do we classify them? What are some of the tests that the different states use in America? I give you the resources that you need for that.

**Sam Vander Wielen:** [0:03:37] And then I go over some of the steps to like, find and hire an independent contractor who's actually going to seek and like work well for your business.

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**Sam Vander Wielen:** [0:03:46] So, before that, before we hop into this episode, I just want to give a shout out to Linda, who left a review on Apple Podcasts. Linda said, "I'm preparing to launch my creative coaching business in the next few months, and am I ever glad I found this podcast before I actually did. I'm a literary agent. So as somebody who deals with contracts in my day job, I thought curious that there's barely any talk of the legalities of launching an online business, at least on the coaching side. I'm devouring these episodes like, whoa and don't plan on stopping. Sam, keep doing the good work.

**Sam Vander Wielen:** [0:04:17] Well, thank you so much, Linda. Thank you for being the reviewer of the week. And you can be a reviewer of the week by leaving a review in Apple Podcasts of my show On Your Terms, and you'll be entered to win a \$20 Starbucks gift cards. So just go ahead and leave a review real quick. It helps us out so much.

**Sam Vander Wielen:** [0:04:33] Thank you so much. And I am so excited to chat with you today all about hiring contractors versus employees. So, let's talk hiring contractors and employees.

**Sam Vander Wielen:** [0:04:47] And this is something that maybe you're thinking like, I'm not quite there yet, or maybe you are like on the precipice of hiring your first contractor. I want you to listen to this episode anyway, because this is something that you want to lay the groundwork for ahead of time. And not something that you, like most things when it comes to legally protecting your business, like you never want to be in the

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throes of something and then being like, oh shoot, I got to get a contract for that or have to get insurance or whatever.

**Sam Vander Wielen:** [0:05:10] We want to do this stuff ahead of time. Like as much as you can get done ahead of time, the better. So, I think it's really helpful to just listen to this conversation, like, even if you're not quite there yet so that at least you start thinking about it.

**Sam Vander Wielen:** [0:05:24] I wish that I would have thought more, you know, about not the legal piece, but necessarily about like who I needed in terms of what kind of role do I want to fulfill. Like what kind of tasks and duties do I want this person to have?

**Sam Vander Wielen:** [0:05:37] And it wasn't until the business got pretty big that I even started thinking about like what we call an org chart, an organizational chart, which is like something I used to make for people when I was a corporate attorney. And I can't believe I have one for my own business now.

**Sam Vander Wielen:** [0:05:50] But even when it was just myself, I wish I would have started to like sketch this out a little bit. And so, I just wanted to say that before we get started because I want to encourage you to be open to listening to this and like having this conversation today.

**Sam Vander Wielen:** [0:06:03] So, one of the reasons of many I wanted to have this conversation with you today is, first of all, you guys asked me about it a lot. But also because like per

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usual, I see people in our industry treat hiring really loosey-goosey. And I mean everything from like hiring their VAs to hiring employees to treating contractors like employees, just the whole thing is kind of all over the place.

**Sam Vander Wielen:** [0:06:26] And it's yet another thing in our industry that I just tend to look at as a lawyer. And I'm like, oh, like, I cringe, right. So, I thought I could kind of clear it up today. And I don't want you getting this advice from like a friend or a business coach who's just like, yeah, just hire them as a contractor like, you don't need to do that.

**Sam Vander Wielen:** [0:06:42] You need to make sure that you understand. You, at the end of the day, are responsible for your own business, right. So, what's the problem with - we 're going to talk a lot today about like are you hiring a contractor or do you - are you hiring an employee? If you have contractors already, are you treating them like a contractor? Are you treating them like an employee?

**Sam Vander Wielen:** [0:07:01] This episode is super important for you if you already have contractors. It's a really important distinction. And it's when we're going to go over today, because the problem with not properly classifying or treating somebody who's working for you as a contractor or an employee is that you can get sued for treating somebody like an employee when they're an independent contractor.

**Sam Vander Wielen:** [0:07:24] And along with that comes a whole boatload of state and federal fines, tax bills, lawsuits, other

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scary stuff that we just can easily avoid, right. It's just like it's not worth it.

**Sam Vander Wielen:** [0:07:35] And oftentimes, just the same way as I hear, like so many of these myths of like, people get a sole proprietorship instead of an LLC because they like their business coach told them that they don't need to worry about the taxes or something yet, it's like one of these myths that then is not actually true. You wouldn't pay any differently in taxes, and you're now putting yourself at risk for something that wasn't even a big deal.

**Sam Vander Wielen:** [0:07:58] So I kind of find the same thing with this. Like people are often scared of the idea of hiring an employee or a part time hourly person or you know all this stuff and it's not based on the truth.

**Sam Vander Wielen:** [0:08:10] So, I want to just dive right in. And I want to start talking about is this person that you're hiring or that you already have working for you, are they an independent contractor or an employee? I'm going to do a really brief, like 30,000-foot overview today because this could - this - like I literally took a whole semester of law school just about this stuff.

**Sam Vander Wielen:** [0:08:30] And so, you know, for four or five months we studied this like hardcore and it was on the bar exam and all of that. I don't want to put you through that. You don't need that. You don't want that, that's for sure.

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**Sam Vander Wielen:** [0:08:38] But I do want to give you like kind of the overview because I think as a business owner, as a CEO, you do have to know this on a very basic level, because then you have to be able to like what I'm trying to do is I'm trying to put you in the position that you say, okay, I want to bring somebody into my business to work for me. Am I looking for a contractor or an employee?

**Sam Vander Wielen:** [0:09:00] And after this episode, you're going to say, oh, I know exactly what this is, right. Or if you have people working for you already, you're going to be able to analyze which is something that you need to do as a CEO, is this person that's already working for me, am I treating them as a contractor appropriately or not? And maybe you can make some adjustments.

**Sam Vander Wielen:** [0:09:18] So let's hop in. This is a really nuanced area, but I want to give you a big picture of kind of the two legal tests that are used to determine whether somebody who's working for you is an independent contractor or an employee, a very important legal distinction.

**Sam Vander Wielen:** [0:09:34] So, these two big legal tests are the common law test and then what's called the ABC test. The common law test is used by the IRS. It's used by states like New York, where I am in D.C. and then 17 other states. And don't worry, I'm going to give you a list later.

**Sam Vander Wielen:** [0:09:49] The ABC test is used by states like California. It's also used by the Department of Labor, which is really confusing as why is the Department of Labor use ABC and

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IRS uses common law? We don't know these things. And the ABC test is also used by 33 other states, right. So, the ABC tests even more common and some states use like variants of these, like they use ANC not ABC. It's like a whole thing.

**Sam Vander Wielen:** [0:10:10] I'll actually link below to a list of the states of all 50 states in America and which tests that they use. I found a handy website for you that kind of list these out. This is something that can change. So, it's something that I would just like keep, you know, keep up both a little bit since you want to always know where your state, you know, kind of stands with these things.

**Sam Vander Wielen:** [0:10:29] But here's a quick overview of like each of these tests and how the states you know use them. So, those states that use the common law test, they presume that the person working for you is an independent contractor, unless you prove the following. Unless you prove that you have behavioral control, financial control and then what the relationship is of the parties.

**Sam Vander Wielen:** [0:10:51] So, the common law test looks at behavioral control like would you control how, when, and where the worker does their work, for example. Do you control what tools they use? Do you control where to purchase their supplies? Do you give them a ton of detailed instruction on like how exactly to do the work?

**Sam Vander Wielen:** [0:11:09] If you say yes to all those things or a lot of those things, that's something that would start to

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lean towards the common law states saying you're treating this person more like an employee than a contractor.

**Sam Vander Wielen:** [0:11:19] They also look at financial controls. They look at like how the person's paid, right. Are they paid like hourly or salary or do they have a flat fee? Do they have expenses and are those expenses reimbursed, right?

**Sam Vander Wielen:** [0:11:30] So, contractor for example should have unreimbursed expenses. So, I want you to think about it as like you hire a website designer or developer to like build out a website for you. You - your web - you pay them a flat fee to create this website for you and your business is not related to web sites or anything like that. Like you're a coach and you're just hiring somebody to make a website for you.

**Sam Vander Wielen:** [0:11:55] You don't pay for that like web designer to go buy a new MacBook or to pay their monthly fee for like Adobe or, I don't know, whatever else web designers have to have to create beautiful websites, right?

**Sam Vander Wielen:** [0:12:07] That's like a prime example of where that person is a con - the web developer is a contractor because their business is developing websites for many different people from many different businesses. You're paying them a flat fee. You're not telling them how to design the website because you probably don't know how, right, like me.

**Sam Vander Wielen:** [0:12:25] So, you're telling them, like, hey, I just want a beautiful website. Of course, you can tell them like what you want on the website, the content you'd like,

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features, functions, all that kind of stuff. But you're not hovering over their virtual shoulder and saying, I want you to design the page using this tool and software in this way, and it's a tool in software that I'm paying for. And this is how you have to code and this is how you have to do that. No, you just tell them like what result you want and then they perform the service and they're doing that for like lots of different people.

**Sam Vander Wielen:** [0:12:54] I think that that's a really good example of like how a healthy contractor relationship would work, especially in these common law states, right? So, they're looking at this like financial relationship.

**Sam Vander Wielen:** [0:13:06] The other big thing in common law states is that they're looking at how contractors pay taxes. So, typically in a contractor relationship, let's go with that web developer. Like say you pay \$5000 to have your website developed for you. You pay that website developer the \$5000. And then it's on them to pay their taxes. You don't pay taxes for them, right?

**Sam Vander Wielen:** [0:13:27] And we're going to talk about that in a second. This is really, really important because this is something that's really important to have covered in your contractor's contract. That they are responsible for their taxes, because you do not want to be responsible for that, but you are not responsible for it with contractors. But you also have to have that in writing and you want to cover your tush for that. So, we'll talk about that in a second.

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**Sam Vander Wielen:** [0:13:51] When you have employees, taxes come out of the paycheck that you pay them, right? So, like I have employees, when they get their paycheck, I'm paying, the business is paying for the taxes that are coming out of there.

**Sam Vander Wielen:** [0:14:01] So that's a difference, right. And they might have additional taxes on their end depending on their like household information and how much they withhold and all that and that part is on them. But in terms of the like employment tax, that's all coming up from my end, right?

**Sam Vander Wielen:** [0:14:15] Now, the last part of this common law test is looking at the relationship of the parties. And one of the best ways that you can clear the error of like is this relationship and employee relationship or a contractor relationship is having it in writing in a contract, right?

**Sam Vander Wielen:** [0:14:31] So, I offer an independent contractor template that you can get in my template shop. It's just downloadable. You fill in the blanks. All you're doing is filling in your personal information, just like all of the other legal templates that I offer like contracts and website policies.

**Sam Vander Wielen:** [0:14:45] And in this contract, it clearly states that this person is a contractor and not an employee. So, that's one great way. We also address this issue of like, hey, contractor, you know you have to pay your taxes. I'm just paying you. Now it's your responsibility to go and report this as income, right? So that's super important.

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**Sam Vander Wielen:** [0:15:03] I'll link to the independent contractor or contract template below. You can get that on my site. But it's super easy and this is one of the easiest ways that you can cover yourself with making it very, very clear that this person is a contractor.

**Sam Vander Wielen:** [0:15:16] But just like I say with everything when it comes to legal stuff, this is so important for you to know, for your client relationships and everything beyond to hiring, it's sending somebody an independent contractor contract that says that they are a contractor and not an employee and having them sign off on that is really only like the first giant step.

**Sam Vander Wielen:** [0:15:37] The second step that you have to do is actually treat them like a contractor and not treat them like an employee. And I feel like this message often just gets lost in online business where a lot of people are just like, "Just have them sign a contract that says you're not a doctor. Have them sign a contract that says you're not a lawyer."

**Sam Vander Wielen:** [0:15:54] It's like, yes, that's true, and you do need that because you're not a doctor or you're not a lawyer or whatever. That's important, but then you actually have to not act like a doctor or a lawyer. You can't do things that a doctor or a lawyer could do, right.

**Sam Vander Wielen:** [0:16:05] Same goes here, where we have this person sign it saying you know you're a contractor and therefore not an employee, and therefore I don't owe you all the rights and responsibilities and obligations that I would owe an

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employee. But now you as the CEO of your business, have to actually treat them like a contractor. So, we're going to talk a little bit more today even about what that really means.

**Sam Vander Wielen:** [0:16:28] Now, the ABC test, the other test I was talking about, that's the one that's used by like California and the Department of Labor and 33 other states in America. So, you can look at that list to see if your state requires the ABC test. It kind of does the opposite of the common law test.

**Sam Vander Wielen:** [0:16:41] So, in the ABC test, it presumes that the person working for you as an employee unless proven otherwise. Here are the three factors that the ABC test looks for. They look for number one, the worker is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact.

**Sam Vander Wielen:** [0:17:04] What does that mean in English? Well, it kind of goes back to that behavioral factor of the common law test. It just wants to know that this worker is free from the control of you, right?

**Sam Vander Wielen:** [0:17:12] Go back to that web designer, you know, example I gave. You're not standing over their shoulder, you're not telling them how to do it, you're not controlling their job. I want you to think of it as like the whole point of you hiring this contractor is that they're the expert, right?

**Sam Vander Wielen:** [0:17:25] Like when I hire a copywriter or a web designer, I'm not telling them what to do. I'm just telling

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them what I want as the end result. Like I want 10 sales emails, or I want a funnel, or I want this webpage, right? But I don't know how to do it, which is why I'm hiring them.

**Sam Vander Wielen:** [0:17:39] So that's like a perfect example of a contractor versus an employee like my Director of Operations, Lindsey, who works for me. I - you know, we work very closely together, but I can work with her more to say this is how I want things done. I also need to have a meeting with you at 11:00 AM today and you have to be there, right. Or this is how I want this stuff to look or this is the process I want looking forward, this is how I want you to work with our other people who are working here. So, we can have a bit more of that kind of relationship because she's an employee here. So, it's different.

**Sam Vander Wielen:** [0:18:11] So that's number one under the ABC test. Number two is the worker performs work that is outside the usual course of the hiring entities business. What does that mean?

**Sam Vander Wielen:** [0:18:22] That means that, for example, if you are a business coach and you're in a state that has the ABC test and you want to hire co-coaches for your business program, I think that is a sticky situation in which you want to talk to your own lawyer in your state about whether or not that person might fall under this ABC test and violate number two, right? Because, you know, I have a legal templates business, so maybe I could hire a copywriter who writes something for me, or a web designer or a logo designer. That's not what I do.

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**Sam Vander Wielen:** [0:18:53] If I started hiring people who write legal templates for me, which I don't do, I do them all myself still. And that is the plan moving forward. But if I did, then that's kind of what would fall under the second factor.

**Sam Vander Wielen:** [0:19:06] The third and last factor under the ABC test is that the worker is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.

**Sam Vander Wielen:** [0:19:17] So that means, in plain English, the worker that you're hiring is like a web designer who designs websites for other people. This person has a business of their own, right. I think it helps when that person has like an LLC or registered business of some sort. They have a business of their own where they're providing the same service to other people. So, they're clearly a contractor because they're just like dipping into people's businesses and doing projects, right.

**Sam Vander Wielen:** [0:19:41] That's how I would look at factor three. So that is briefly the common law test and the ABC test. I want to - they'll breakdown like if you're hiring an independent contractor in general, how do you go about hiring this person because, now that we understand, okay, I get the gist of hiring a contractor. I can't tell them what to do. I can't tell them where to be all the time. I can't tell them you have to work from nine to noon and sit at your desk and you have to be available to me. So, you can't have all of this like behavioral, financial control over them.

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**Sam Vander Wielen:** [0:20:15] We understand that you need to have a contract in writing that says that they're a contractor and not an employee and that you know that's very important to then also make sure we are acting like that and putting all this into practice. But how do we actually go about hiring someone for an independent contractor role?

**Sam Vander Wielen:** [0:20:34] Today, I'm only going to talk about hiring contractors. If you want to talk to - if you want me to talk about hiring an employee, a full-time or part-time employee in a future episode, DM me on Instagram and let me know that that's something you'd be interested in.

**Sam Vander Wielen:** [0:20:47] I kind of wanted to start here because I think that more people hire like I know for me that first several people I hire were contractors and not employees. So, if that's something that you'd find helpful, just let me know.

**Sam Vander Wielen:** [0:21:03] Have you ever felt lost about where to begin with the legal side of protecting your online business? Some people say you can just wing it at the beginning and get officially set up later. Not a good idea by the way.

**Sam Vander Wielen:** [0:21:13] Whether you're afraid to even start working with clients because you don't want to do something wrong legally and then get in trouble or your business is growing and you sort of forgot to take care of the legal pieces, I've got you.

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**Sam Vander Wielen:** [0:21:25] I don't want you to live in fear of the Internet police coming after you and your business, but you do have to do certain things and get certain things in place in order to legally and safely run your business online. As much as it just feels like an unregulated, wild, wild west online, that is very much not the case.

**Sam Vander Wielen:** [0:21:42] As an attorney turned entrepreneur and former corporate litigator, I can assure you that there are rules. There are real steps that everybody who runs or starts an online business needs to take. And you're not behind at all. We can get you set up in following the rules right away. In fact, we can even do it today.

**Sam Vander Wielen:** [0:21:58] I want to teach you the five very simple steps to take to legally protect and grow your online business. You don't need an MBA to be a successful entrepreneur and stay out of legal hot water but you do need to dot your legal Is and cross your Ts in a few key areas that can't be skipped.

**Sam Vander Wielen:** [0:22:13] That's exactly what I'll teach you in my free one-hour legal workshop called Five Steps to Legally Protect and Grow your Online Business. Just head to [mylegalworkshop.com](http://mylegalworkshop.com), drop in your email address, pick the time and I'll send you a link to watch the workshop video whenever you have time.

**Sam Vander Wielen:** [0:22:28] This is the best place to begin if you're just getting started legally legitimizing your business. So, head on over to [mylegalworkshop.com](http://mylegalworkshop.com) and sign up to

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watch Five Steps to Legally Protect and Grow your Online Business now.

**Sam Vander Wielen:** [0:22:42] Let's talk about hiring a contractor. The first thing that I think would be the smartest move for you, besides listening to this episode because you're going to start laying the groundwork, is to have a clear job description ready, because that will help you figure out first of all if you need a contractor or an employee. Because sometimes we've written these out and I realized that I need a bit more control over the person's time and availability and we're going to be like really training them and, you know, grooming them for this role. That's more of an employee position.

**Sam Vander Wielen:** [0:23:15] But when I also just know like I can only hire a contractor right now or that's just the best fit for the role, I like to write out the job description because I get very, very clear on what this person tasks are going to be, right.

**Sam Vander Wielen:** [0:23:30] So even - this can be something that you open up as like a Google doc now, even before you're ready to do this, like say you're starting to feel overwhelmed and you maybe feel like I should hire a VA. I feel like I should hire a VA. You know, that should be my first hire. That was my first hire.

**Sam Vander Wielen:** [0:23:48] And you're not yet sure exactly what this person would do and what the role would look like. Just start like a messy Google Doc. That would be my

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recommendation. And start a list of bullets of things as they come up throughout your day that you realized that that's like, oh, if I had a VA, this is what I would send to them.

**Sam Vander Wielen:** [0:24:07] That was like the first thing that I did where I started this list and because at first, you know, I was somebody who really prided myself on I do it all myself. I don't need help. I built this whole thing myself, you know, and it's helpful to think that sometimes. But then I got really overloaded. And I wasn't feeling very clear on who I needed to hire and what they would do for me.

**Sam Vander Wielen:** [0:24:30] So, I started this like running to do list, this tab. Okay, if I had - you know, you can even give this person like a fictional name. If I had this person working here, this is what I would send them. I would send them this task, this task. I wouldn't do my Pinterest pinning anymore. I wouldn't have to reply to emails from people saying I can't log in or I need help logging in, right. That's something easy that somebody else could tackle.

**Sam Vander Wielen:** [0:24:54] They could book my media appearances for me. They could help a little bit with this. They could order supplies when I need them. They could help clients get access to their contracts, you know, stuff like that.

**Sam Vander Wielen:** [0:25:04] So, you just start keeping a list and then that will start to help you then write a job description. This is also going to be gold when you actually go to hire this person because if I can pass on any, like, words of wisdom to you with having anyone work for you, I've hired people

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both who I've given very clear like, this is what I need you here for, these tasks, right. And I've hired people who I'm like, can you just come in and help? Like, just help, right.

**Sam Vander Wielen:** [0:25:31] Those, the latter, it doesn't go well, right. It doesn't go well. People need direction. They need to know what they're responsible for. They need clarity, right.

**Sam Vander Wielen:** [0:25:41] And then that gives people, I think, like the, I don't know, like authority to kind of like step into their role, take ownership of certain things, get better and better at it, start pointing out things that could be done even better than that, and that's how you really build a team.

**Sam Vander Wielen:** [0:25:57] So, by you keeping this clear list of tasks like, that's going to be the best first step. Something that a friend had suggested to me that I thought was so helpful was to like keep this list of all these tasks. And then, you know, when the list starts to get a little bit bloated, take some of the tasks and start to categorize them.

**Sam Vander Wielen:** [0:26:16] Like you will see, like there's a lot of social media tasks, email inbox tasks, scheduling tasks onboarding tasks, right. And put them kind of under each other so that you start to get an idea of like, okay, this VA I'm hiring, they're responsible for this, this, and this, kind of the main bucket.

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**Sam Vander Wielen:** [0:26:33] Because then once they get into those buckets, there's going to be more, you know, inevitably going to be more things. You're not literally asking them to just be available for those tasks. So, hopefully that part is helpful.

**Sam Vander Wielen:** [0:26:43] Okay. The second thing that we're going to do is that we're going to keep this stuff in mind that we just talked about and we're going to think about what your budget is for paying someone. So, we have to think about what your budget is for maybe the month.

**Sam Vander Wielen:** [0:26:57] I would encourage you to think out long-term about this. I don't ever recommend hiring somebody who you're like I have enough to pay them this month, but if we don't do well, I can't keep them on, you know another few months because it's going to take several months for this person to get up and running and to get comfortable.

**Sam Vander Wielen:** [0:27:14] Some people have hopped in faster than others in my experience. That's not a good or bad thing. It's just different. And some roles in particular, just take more time to kind of like get into and get settled.

**Sam Vander Wielen:** [0:27:27] So, I want you to think about the budget and I want you to think about how you're going to pay them. You know, is it hourly, whatever. They should then be sending you invoices and then you're paying those invoices because they're a contractor and they have their own business, right.

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**Sam Vander Wielen:** [0:27:43] And I want you to keep in mind that if you're hiring them as a contractor, you're probably doing so because they have an expertise or a skill that you either don't have or you can't fulfill. And that's why you don't really like hyper manage it or oversee it in terms of how it's done.

**Sam Vander Wielen:** [0:27:58] So, if it's like your VA, for example, maybe they help you get set up with contracts or onboarding clients, email inbox management, you're telling them like, I need these contracts to be sent out and stuff. But you're not hovering over them or you can't say, I need these contracts to be sent out at 9:00 AM on the dot or something like that.

**Sam Vander Wielen:** [0:28:16] So there has to be a little bit of flexibility. You, of course, can say I need these sent out within like 24 hours or these kinds of things, but we just can't dictate kind of the specifics for them all the time.

**Sam Vander Wielen:** [0:28:28] Another thing I want you to keep in mind when hiring a contractor because it depends on what you're hiring them for is whether this is a work for hire situation or not. So, let's say you are hiring somebody as a contractor who - just to create a logo for you.

**Sam Vander Wielen:** [0:28:43] I mean, even that kind of relationship is like hiring a contractor. It's just a temporary thing. You don't want to or maybe you want to have the intellectual property rights in that logo. Did you know that if you want that, then you need to have a work for hire clause in your independent contractor contract.

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**Sam Vander Wielen:** [0:29:02] So, if you were hiring somebody to come on and create copy for you, or to create a logo for you, or something else, you would want to have a work for hire statement or you'd want to look for one in their contract if they send you one that says that what the work product that's produced from that relationship is owned by you. That's something that you would definitely want to check out. If you think that you own the work, you want to make sure that there's a work for hire statement.

**Sam Vander Wielen:** [0:29:28] Now, next thing, you know, the next step really is like if you've plotted out this job description, you've thought about how you're going to pay them and you've budgeted for this, you have a very clear idea of like how your relationship has to go. Now, we really just send them an independent contractor contract and a blank W9 form to complete.

**Sam Vander Wielen:** [0:29:47] So, I use HelloSign to send and sign contracts. It's a, you know, it's e-sign out compliant platform that you can send and sign contracts through. So, I use that. I just send them the contract through there. And then we send along a blank W9 form for them to complete.

**Sam Vander Wielen:** [0:30:04] Sometimes contractors will send that to us. It depends kind of how far along they might be in their business journey if they know. But you absolutely need a completed W9 from them along with that signed independent contractor contract.

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**Sam Vander Wielen:** [0:30:18] I will drop the link below to both my independent contractor contract template for you on my site. I'll share my HelloSign link with you below. It's an affiliate link that gives you some free like signatures to send back and forth to set up on HelloSign. And then I'll also drop the form below to on the IRS' website for the W9 for you.

**Sam Vander Wielen:** [0:30:39] All right. So, from there, once we've sent and signed all that, we've made sure it's all complete. I mean, make sure you save it. Like save it to your, save it to your Google Drive or wherever you keep these things.

**Sam Vander Wielen:** [0:30:48] I have the operations folder in there which we then have like an HR or subfolder in operation under operations and we save anything and everything related to hiring there.

**Sam Vander Wielen:** [0:30:58] Now, it's time to onboard them. That's like a whole another episode for a whole another day about, you know, training people and like, how do we, how do we work with them and give them feedback.

**Sam Vander Wielen:** [0:31:08] You could let me know if you would want an episode on kind of like management and development of contractors who are working for you or hiring employees, same thing. But if I can give you any one tip before we go today, I just have to tell you this because this is something I feel like I've learned the hard way.

**Sam Vander Wielen:** [0:31:26] And you might be like me and be somebody who just sometimes is like, I'll just do stuff myself,

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right. I'll just do it myself. I can get in there. I can do it really well. I'll do it myself.

**Sam Vander Wielen:** [0:31:36] If I can give you any tip is that if you want to have healthy and successful long-term relationship with contractors who get better over time and who start to like read your brain and be able to produce stuff that's really like a mimic of what you just would have done yourself, it's that when you see something that you don't like, like let's say you get a social media graphic back and you're like, I don't like this. This isn't how I would have done it. Or you get copied back and it's not the way you would have said something or a website page back, same thing.

**Sam Vander Wielen:** [0:32:07] Instead of you going in and fixing it yourself, which is what I did for literally like years, and it's a terrible, nasty habit that you need to drop, right, I want you to record like a Loom video or some other screen capture kind of video of you talking to them about what it is that you don't like, why you don't like it, and how you would like it to be done instead.

**Sam Vander Wielen:** [0:32:27] And then your only job is for you to send that Loom video back to them and let them change it. Because then they are going to learn, first of all, by hearing you talk through it, I mean, because most of the time this is just, you know, simple oversight of like, oh, I didn't know you like it like that, or I didn't know you don't like me to say this.

**Sam Vander Wielen:**

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**Sam Vander Wielen:** [0:32:44] So, it's no problem. It's just that that's how people learn and they have to learn by doing. And if you go in and fix it for them, even if you tell them like, hey, I went in and fixed this for you, because I don't like it, you know, they're not going to learn the same way as if you encourage them to go in and do it, you know, the right way. Because now the goal would be that the next time that graphic comes to you, it looks different, right. And maybe those changes in that feedback gets shorter and shorter over time.

**Sam Vander Wielen:** [0:33:12] That's how people learn and we have to let people like self-actualize and kind of like step into these roles. We don't want to micromanage. People start to think well, she's going to nitpick and change everything herself anyway, what's the point? Like she's going to change at all, so I'll just send it to her like this, right.

**Sam Vander Wielen:** [0:33:26] I am guilty of this. This is a very difficult thing to work through as somebody who for years and years did everything myself in the business and you know, really does care about the details and like I do. I see everything. I look at everything.

**Sam Vander Wielen:** [0:33:41] That's how I am. That's how I am as a CEO. But I'm now empowering the people who work for me, whether there are contractors or employees, by stepping in and doing their job for them. And they are more than capable, so they just need feedback. They need some guidance. They can't read my mind.

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**Sam Vander Wielen:** [0:33:54] And so, I just wanted to leave you with that tip today on when you're starting out with these relationships or if you have some of these already to make that shift if you don't already.

**Sam Vander Wielen:** [0:34:05] So, please send me a DM. Let me know if you found this episode helpful. Let me know if you would want any follow up episodes after this one about any other topics related to hiring, having contractors, employees, any of that stuff. I am so happy to help.

**Sam Vander Wielen:** [0:34:21] If this episode was helpful to you and you think would be helpful to a friend of yours, please do me a favor, go ahead and just text them the link to this episode real quick. It's so helpful for helping us spread the word about On Your Terms.

**Sam Vander Wielen:** [0:34:33] I hope you love listening to On Your Terms. I certainly love delivering these for you. I'm going to make sure you have all the links you need below to the contract templates, to the IRS' website for the contractor, employee tests, and so many more of the things that we talked about today.

**Sam Vander Wielen:** [0:34:48] But thank you so much for listening to On Your Terms. I can't wait to chat with you next week.

**Sam Vander Wielen:** [0:34:56] Thanks so much for listening to the On Your Terms Podcast. Make sure to follow on Apple Podcast, Spotify, or wherever you like to listen to podcasts. You can also check out all of our podcast episodes, show notes, links,

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**Sam Vander Wielen:** [0:35:19] And to stay connected and follow along, follow me on Instagram @SamVanderWielen and send me a DM to say hi.

**Sam Vander Wielen:** [0:35:35] Just remember that although I am a attorney, I am not your attorney and I am not offering you legal advice in today's episode. This episode and all of my episodes are informational and educational only. It is not a substitute for seeking out your own advice from your own lawyer.

**Sam Vander Wielen:** [0:35:51] And please keep in mind that I can't offer you legal advice. I don't ever offer any legal services, but I think I offer some pretty good information.