

The Heard Independent Contractor Checklist

Heard

This checklist covers everything you need to know if you are:

- Planning to hire an independent contractor for your therapy practice
- Currently employing a contractor at your therapy practice
- Deciding whether you need to hire a contractor or employee

For a deeper dive, check out our article on [how to hire independent contractors for your therapy practice](#).

Tax forms you need to hire an independent contractor

For each independent contractor you hire and pay more than \$600 over the course of the year (or \$2,000, starting with the 2026 tax year), you need the following:

- **IRS Form W-9.** Collect this from your independent contractor when they begin working for you. The form includes everything you will need to file IRS Form 1099-NEC at the end of the year.
- **IRS Form 1099-NEC, Copy A.** Use this form to report to the IRS how much you paid your contractor over the course of the year. You'll submit it to the IRS directly.
- **IRS Form 1099-NEC, Copy B.** This form is identical to Copy A (above), but you must send it to the independent contractor you hired. They'll use it to calculate their income.

Contractor info you need to collect

The easiest way to collect all the info you need from a contractor is to send them Form W-9 and have them fill it out. But you can still complete a Form 1099-NEC for them if you have the following:

- Total amount you paid them over the course of the year
- Personal name
- Business name (if any)
- Business entity type
- Business address
- Their taxpayer identification number—either
 - Employer Identification Number (EIN), or
 - Social Security Number (SSN)

Contractor or employee?

Contractor:

Submits invoices, client pays them

Not on payroll

Sets their own work hours

Works on an as-needed or per-project basis

Covers all their own business expenses

Withholds and remits their own income and self-employment taxes

Employee:

Does not submit invoices, paid on regular schedule

On payroll

Work hours determined by employer

Works on an ongoing basis (hourly wage or annual salary)

Reports business expenses to employer, receives compensation

Employer withholds and remits income and employment taxes

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