Social Security Administration

§ 404.1007

(a) A corporation officer as described in §404.1006;
(b) A common-law employee as described in §404.1007 (unless you are, after December 31, 1982, a qualified real estate agent or direct seller as described in §404.1069); or
(c) An agent-driver or commission-driver, a full-time life insurance salesman, a home worker, or a traveling or city salesman as described in §404.1008.


§ 404.1006 Corporation officer.

If you are an officer of a corporation, you are an employee of the corporation if you are paid or you are entitled to be paid for holding office or performing services. However, if you are a director of a corporation, we consider you to be self-employed when you work as a director.

§ 404.1007 Common-law employee.

(a) General. The common-law rules on employer-employee status are the basic test for determining whether you and the person or firm you work for have the relationship of employee and employer. Even though you are considered self-employed under the common-law rules, you may still be an employee for social security purposes under §404.1006 (relating to corporation officers) or §404.1008 (relating to workers in four specific jobs). In general, you are a common-law employee if the person you work for may tell you what to do and how, when, and where to do it. The person or firm you work for does not have to give these orders, but needs only the right to do so. Whether or not you are a common-law employee is not always clear. Several aspects of your job arrangement are considered in determining whether you are an employee or are self-employed under the common-law rules.

(b) Factors that show employee status. Some aspects of a job arrangement that may show you are an employee are as follows:

(1) The person you work for may fire you.
(2) The person you work for furnishes you with tools or equipment and a place to work.