



September 30, 2010

Circular 2010-09

To: All Members

Clearance Certificate Form Revision

The Worker's Compensation Board of Indiana ("Board") has revised [WCE-1](#) "Application for Worker's Compensation Clearance Certificate" State Form 45899 (R6 / 12-09). The form is now available for use by a sole officer of a corporation to exclude himself/herself from employee status for workers compensation insurance purposes.

In addition, the Board's website [home page](#), under the "News and Notices" section states: "Effective immediately, any independent contractor, regardless of trade, may be granted a clearance certificate. The Indiana Department of Revenue must still approve the application."

You may also access the Board's website to view the "[Independent Contractors](#)" web page.

Sincerely,

Ronald W. Cooper, CWCP
President

Enclosure: [WCE-1](#) Clearance Certificate



WCE-1 APPLICATION FOR WORKER'S COMPENSATION CLEARANCE CERTIFICATE

State Form 45899 (R6 / 12-09)
Indiana Department of Revenue / Worker's Compensation Board of Indiana

- INSTRUCTIONS:**
1. Please type or print.
 2. **Payment must be made using a money order or certified check.**
 3. Mail this completed application and payment to the **Indiana Department of Revenue, PO Box 2305, Indianapolis, IN 46204-2305.**

Name of independent contractor (last, first)		Name of business	Specified trade						
Address (number and street, city, state, and ZIP code)			Telephone number ()						
E-mail address	Social Security Number *	Affidavit of exemption number (STATE USE ONLY)							
Are you an Indiana resident? <input type="checkbox"/> Yes <input type="checkbox"/> No		If no, please enter your state of residence							
<p>Under the provisions of IC 22-3-2-14.5 and/or IC 22-3-7-34.5, I, the undersigned, am hereby requesting issuance to me of an Independent Contractor Affidavit of Exemption:</p> <p><input type="checkbox"/> I am an independent contractor working in the construction trades, as defined by IC 22-3-6-1 (b) (7) and / or IC 22-3-7-9 (b) (5).</p> <p><input type="checkbox"/> I am an independent contractor working in _____ under the name _____.</p> <p><input type="checkbox"/> I am the sole proprietor as defined by IC 22-3-6-1 (b) (4) and IC 22-3-7-9 (b) (2) and am thereby exempted from worker's compensation coverage. <i>Type of business</i></p> <table border="1"> <tr> <td>Name of sole proprietorship</td> <td>Social Security Number</td> </tr> </table> <p><input type="checkbox"/> I am a partner in a partnership as defined by IC 22-3-6-1 (b) (5) and IC 22-3-7-9 (b) (3) and am thereby exempted from worker's compensation coverage.</p> <table border="1"> <tr> <td>Name of partnership</td> <td>Federal Identification Number</td> </tr> </table> <p><input type="checkbox"/> I am an officer of a corporation who is the sole officer of the corporation and I elect not to be an employee under this chapter as defined by IC 22-3-6-1 (b) (1) and IC 22-3-7-9 (b) (9).</p> <table border="1"> <tr> <td>Name of corporation</td> <td>Social Security Number or Federal Identification Number</td> </tr> </table>				Name of sole proprietorship	Social Security Number	Name of partnership	Federal Identification Number	Name of corporation	Social Security Number or Federal Identification Number
Name of sole proprietorship	Social Security Number								
Name of partnership	Federal Identification Number								
Name of corporation	Social Security Number or Federal Identification Number								
I <input type="checkbox"/> do <input type="checkbox"/> do not have other employees.		I <input type="checkbox"/> do <input type="checkbox"/> do not have Worker's Compensation insurance through a private insurance carrier.							
Signature of applicant			Date signed (month, day, year)						

This affidavit certifies that the above named person is an independent contractor as defined by the indicated provisions of law, that the above named person has worker's compensation or is a qualified self-insurer as to any and all employees in their hire, and that the above named person desires to be exempt from worker's compensation coverage and foregoes the right of recovery under the Worker's Compensation Act from anyone for whom this person works as an independent contractor. This affidavit is binding and holds harmless any person and their worker's compensation insurance carrier contracting with the above named person (as an independent contractor) and their worker's compensation insurance carrier. This affidavit is not valid without the stamp of the Worker's Compensation Board. This affidavit is valid for one year from the date of issue. **You must re-apply each year to maintain exempt status. This information may be shared with the Internal Revenue Service and/or other states.**

FOR STATE USE ONLY	
A \$20.00 non-refundable filing fee is required. <input type="checkbox"/> \$5.00 Department of Revenue filing fee paid <input type="checkbox"/> \$15.00 Worker's Compensation Board filing fee paid	Date issued (month, day, year)

APPLICATION CHECKLIST

Part of State Form 45899 (R5 / 12-09)

This Application for Certification of Exemption represents a statement by you that you are an independent contractor or otherwise not required to carry worker's compensation insurance on yourself under the Worker's Compensation Act of Indiana. **The Indiana Department of Revenue may share this information with the Internal Revenue Service (IRS) and /or other states.**

The statutes establishing this registration process state that an independent contractor in the construction trades is defined similarly to the IRS tax guidelines for determining independent contractor status. The IRS uses several factors to determine whether an individual is an independent contractor or an employee. Listed below are some of the characteristics of each. *If you fail to meet these qualifications, you will not receive certification.*

An independent contractor generally:

- directs his own work and performs the work in the manner he chooses, without direction from a boss or general contractor;
- sets his own hours;
- may hire assistants;
- provides his own tools and materials;
- is paid by the job rather than by the hour;
- may make a profit or suffer a loss on a job; and
- is free to work for more than one person or firm and to offer his services to the general public.

An employee generally:

- is under the control of his employer;
- has income taxes withheld from his pay;
- must work the hours specified by the employer;
- receives pay on an hourly basis;
- must perform the work in the manner indicated by the employer;
- receives training, tools and equipment provided by the employer;
- is not free to offer his services to any persons or firms or to the general public; and
- can be fired at any time.

Are you new to the state of Indiana or the United States? If so, you will be required to submit verification of your residency.

Some examples include:

- valid Indiana Driver's Licence;
- Permanent Resident Card (green card);
- copy of income tax return from another state;
- copy of federal income tax return;
- voter's registration card;
- Individual Tax Identification Number (ITIN) (resident aliens)

This application for a Certification of Exemption from worker's compensation in Indiana will be processed by verifying your status as an Independent Contractor. The Indiana Department of Revenue will examine your past tax records to determine if you have identified yourself as an independent contractor in past years and are current on your individual tax filings. Failure to comply will result in denial of certification.

I.C.22-3-2-14.5 requires that you be certified by the Department of Revenue. The Certification is filed for you with the Indiana Worker's Compensation Board to obtain your Independent Contractor status. You are required to pay a \$20 fee, \$5 (**non-refundable**) to the Indiana Department of Revenue and \$15 to the Indiana Worker's Compensation Board, for making the application. *Please allow up to seven business days for the Department of Revenue and an additional seven days for the Workers Compensation Board to process this request.* If you do not meet the criteria for establishing your status as an independent contractor, you will be contacted with instructions on providing additional information, or notification of denial.

Your certification is not valid until the Worker's Compensation Board has stamped it. Mail your application to the Indiana Department of Revenue for processing. Upon approval of both the Department of Revenue and the Worker's Compensation Board, you will receive your validated Certificate of Exemption and a copy of Income Tax Information Bulletin #86 in the mail.

Note: Until / unless you receive a Certificate of Exemption from the Indiana Worker's Compensation Board, you are required to be covered by a worker's compensation policy under Indiana law. Even if you are exempt, you must cover any employees of your business.