

**Sent:** Thursday, August 07, 2014 3:56 PM  
**To:** Employers  
**Subject:** Independent Contractors Reportable to TRS

Dear Employer:

We have had a number of questions recently and want to clarify TRS contributions on earnings for independent contractors, consultants or vendors.

An individual who contracts with an employer to provide services for which teacher licensure/certification is required and who holds a valid Illinois teaching license qualifies as a TRS member. Contributions on earnings are required even if the contract characterizes the individual as an “independent contractor.” Paying an individual who qualifies as a TRS member through accounts payable rather than through payroll **does not exempt** that individual from TRS contributions.

In addition, if an individual is a full-time or part-time contractual teacher for a TRS-covered employer and performs duties that are related to the academic program or involve the supervision of students for another TRS-covered employer, the extra duties are reportable to TRS regardless of whether the individual is classified as an “independent contractor” or “consultant.”

State law does not allow participation in TRS to be optional. Teachers cannot avoid TRS reporting by calling themselves independent contractors. Similarly, an employer cannot negate a teacher’s right to participate in TRS by treating the teacher as a vendor and paying the teacher through accounts payable rather than payroll.

The only exception to this rule would occur if the Internal Revenue Service recognized the individual as an independent contractor. To apply for the independent contractor status, the individual must file Form SS-8, Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding, with the Internal Revenue Service seeking confirmation of independent contractor status. If the IRS issues confirmation that the individual qualifies as an independent contractor, the individual can send a copy of the IRS determination to TRS and be exempted thereafter from TRS participation.

Please email us at [employers@trs.illinois.gov](mailto:employers@trs.illinois.gov) if you did not report individuals characterized as “independent contractors” or “consultants” during the 2010-11, 2011-12, 2012-13 and 2013-14 school years. Please include their names, last four digits of their Social Security numbers, job titles, days worked and earnings.

Employer Services Department  
Teachers' Retirement System of the State of Illinois

NOTE: Please do not respond to this email address. It is only for informational purposes.