

5224.0060 COLLECTORS.

Subpart 1. **Definition.** A collector is an individual who collects, accepts, or encourages payments from the customers of a business for merchandise sold or services rendered by that business.

Subp. 2. **Independent contractor.** A collector is an independent contractor when the criteria of item A or B is substantially met.

A. If the collector is a door-to-door or telephone collector, he or she:

(1) is assigned a specific territory and furnished lists of people from whom to collect;

(2) is not required to conform to fixed hours, devote any particular amount of time to the business, or produce a minimum volume of collections;

(3) is required to cover the territory regularly, but works out a schedule of contacts;

(4) reports to the office only to turn in collections and to get new lists;

(5) receives a fixed percentage of the collections made, out of which are paid all expenses connected with the work;

(6) is not guaranteed a minimum income; and

(7) is free to engage in other employment, including collecting accounts for other firms.

B. The collector accepts payment of bills from the customers of a third party on the collector's premises and:

(1) bills can be paid at any and all times the collector's premises is open for business;

(2) the collector is not required to be present if someone is on the premises to receive payments;

(3) the collector is not required to conform to fixed hours, or to devote any particular amount of time to the third party's business, or to give preference to the third party's customers;

(4) the collector deposits all money collected in a bank and periodically forwards to the third party copies of bank deposit receipts, and complaint forms from customers;

(5) the third party furnishes the collector with the necessary business forms, postage, and stationery;

(6) the collector is required to purchase a surety bond;

(7) the third party pays a salary for the collection services or the collector may receive a percentage of the money collected;

(8) the collector is not trained in the work or required to follow prescribed routines; and

(9) the collector is free to conduct private business activities in addition to the collection services.

Subp. 3. **Employee.** A collector is an employee if all of the following are substantially met.

- A. The services of the collector are retained to further the employer's business.
- B. The collector is required to perform services pursuant to schedules established by the employer.
- C. The employer has first call on the collector's time and efforts.
- D. The collector has no significant business expenses or investment in the business.
- E. The collector is paid on a commission or salary basis.
- F. The employer has the right to establish the means and methods used in collecting.
- G. The employer has the right to interfere with or set the order of the services.
- H. The collector must report at the firm's office regularly for conferences, training, or instructions.
- I. The hiring of helpers or substitutes is not permitted.
- J. The grounds for termination are not limited to failure to meet production quotas.

Statutory Authority: *MS s 176.041; 176.83*

History: *10 SR 1852*

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