California’s “Abc” Test For Independent Contractor Classification



The California Supreme Court has adopted the “ABC” test for purposes of California’s wage orders and for determining an employer’s proper designation of a worker’s independent contractor status. Employers can lawfully classify workers as independent contractors without running afoul of California’s wage orders if the following three criteria are established:

1. The worker is free from the control and direction of the hiring entity in connection with the performance of the work; and
2. The worker performs work that is outside the usual course of the hiring entity’s business; and
3. The worker is customarily engaged in an independently established trade, occupation or business of the same nature as that involved in the work performed.