

INDEPENDENT CONTRACTOR SELF-EMPLOYMENT TAX
ACKNOWLEDGEMENT

This Agreement and Acknowledgement is made and entered into this _____ day of _____, 20____, by and between:

Prime Contractor: _____

Subcontractor: _____

In consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Subcontractor hereby acknowledges, agrees, and covenants as follows:

1. **Independent Contractor Status:** The Subcontractor acknowledges and agrees that their relationship with the Prime Contractor is that of an independent contractor, and nothing in this agreement or any related service agreement shall be construed to create an employer-employee, partnership, or joint venture relationship.
2. **Tax Responsibility:** The Subcontractor understands and agrees that they are solely responsible for the filing and payment of all applicable federal, state, and local taxes, including but not limited to self-employment taxes (such as Social Security and Medicare taxes), income taxes, unemployment taxes, and any other withholdings or assessments required by law with respect to any compensation paid by the Prime Contractor.
3. **No Withholding:** The Subcontractor acknowledges that the Prime Contractor will not withhold any federal, state, or local income taxes, FICA (Social Security and Medicare) taxes, or any other taxes from the payments made to the Subcontractor. The Prime Contractor will report all compensation paid to the Subcontractor on IRS Form 1099-NEC (or such other form as may be required by law).
4. **No Benefits:** The Subcontractor acknowledges and agrees that they are not entitled to, and shall not participate in, any employee benefit plans, programs, or benefits offered by the Prime Contractor, including but not limited to health insurance, retirement plans, paid time off, life insurance, disability insurance, or workers' compensation coverage.
5. **Indemnification:** The Subcontractor agrees to defend, indemnify, and hold harmless the Prime Contractor, its officers, directors, employees, and agents from and against any and all claims, liabilities, losses, damages, costs, or expenses (including reasonable attorneys' fees) arising out of or resulting from the Subcontractor's failure to pay any required taxes, contributions, or withholdings.

By signing below, the parties hereto acknowledge that they have read, understood, and voluntarily agree to the terms of this Acknowledgement.

SUBCONTRACTOR:

Signature

Printed Name

Date

PRIME CONTRACTOR:

Signature

Printed Name / Title

Date