

EMPLOYMENT SECURITY COMMISSION OF NORTH CAROLINA
RALEIGH, NORTH CAROLINA

INTERPRETATION NO. 177

TO: R. F. Martin, Director

FROM: W. D. Holoman, Chief Counsel

RE: Interpretation of Section 96-8(6) of the Employment Security Law of North Carolina - Services Performed Under Contract by One Employing Unit for Another Employing Unit

The question has been raised in respect to the proper interpretation to be placed upon services being performed by the employees of one employing unit under contract to furnish services to another employing unit.

Generally speaking, where one employing unit has an oral or written contract, or an agreement with another employing unit whereby it will furnish services to the second employing unit which are necessary to the operations of the second employing unit, and under the contract or agreement the first employing unit agrees to furnish such services and carries the individuals who perform such services on its payroll, and retains the right to direct and control those employees performing the services, such employees should be considered in the employ of the first employing unit which agreed to furnish such services.

This is a general statement and there will be shades of differences in different cases which may arise and each case must stand on its own. It is impossible to give a hard and fast rule in cases of this nature because of the shades of differences which may arise, but what has been said in the preceding paragraph may be used as a guide for our field forces in making liability determinations, as well as determining who shall pay contributions on the earnings of such individuals.

Adopted as an official Interpretation of the Commission on June 26, 1962.