

*an Independent Consultant's Guide*  
**Main Sail EOR Business Executive  
 vs. 1099 Status**



	<b>MAIN SAIL EOR BUSINESS EXEC</b>	<b>1099</b>
<b>Administration</b>		
Contract review & admin	Done by Main Sail EOR	Done by individual; may incur legal expenses
Client billing	Done by Main Sail EOR	Done by individual
Client payment collections	Done by Main Sail EOR	Done by individual

<b>Taxes</b>		
Employment status	W-2	1099
IRS audit risk	Low; similar to traditional W-2 employees	Much higher exposure
Deductible medical expenses	Up to \$10,000 annually; no baseline	Available only after meeting baseline
Deductible business expenses	Deducted in real time - in paycheck following submission	Deducted annually when filing taxes
Quarterly tax payments	Not required; all appropriate taxes administered during payroll cycles	Required; often incurs additional bookkeeping and accounting costs

<b>Insurance</b>		
Health, dental & life	Can obtain as part of group	Must be obtained through individual underwriting
Qualification	Group qualification	Individual qualification
Liability & E&O insurances	Provided by Main Sail EOR free of charge	Must be purchased by individual
Future rate changes	Based on group fluctuations	Based on individual health history

<b>Retirement program</b>		
Annual maximum (2014)	\$52,000 (plus \$5,500 if 50+ years old)	\$52,000 (plus \$5,500 if 50+ years old)
Availability	Immediate upon joining	Determined by individual
Administration	Done by Main Sail EOR	Individual; may require outside accounting assistance

<b>Loan Approval</b>		
Employment continuity	Main Sail EOR serves as a continuous employer of record as individual moves from contract to contract	Difficult to show the employment/earnings continuity required to obtain major loans

<b>Marketing</b>		
Access to potential opportunities and connections	Strong; may engage with companies that Main Sail has done business with	Must establish relationship independently; companies often avoid using 1099s due to risk
Corporate credibility	Strong credibility through national presence and reputation of Main Sail	Relatively weak; no platform or association to establish credibility