

FAQs - UCSF Professional Services Program – Contractor Compliance Services

Q: What is the purpose of contract compliance screening?

A: The tax and benefit risks associated with worker misclassification are considerable. That is why UCSF has turned to MAGNIT to evaluate the proper classification of Suppliers as Service Providers and provide risk mitigation services since 1991.

The potential consequences of misclassifying workers range from IRS fines and assessments to liability for unpaid overtime and state specific penalties. Companies need to ensure that they and their contingent labor suppliers are compliant with all federal and state laws and regulations to avoid substantial liabilities.

MAGNIT's Contractor Compliance Services team – founded by former IRS auditors and comprised of the industry's most tenured experts, including employment attorneys and HR professionals – strategically partners with UCSF to navigate through this complex regulatory landscape, ensuring proper protocols are in place to mitigate worker misclassification risk.

Q: How is status determined?

A: MAGNIT has been retained by UCSF to provide Contractor Compliance Services and make recommendations on whether suppliers should be engaged as Service Providers or employees.

In each screening, MAGNIT gathers information from the UCSF manager and the supplier about the nature of the services being performed and how the working relationship between the Supplier or Service Provider and UCSF will be structured, as well as information about their respective business.

MAGNIT utilizes a structured approach to analyze the case-specific information provided under the IRS Categories of Evidence, the Department of Labor's Economic Realities Test, and any applicable state law.

Q: Why does MAGNIT screen every project for Service Providers?

A: MAGNIT reviews each project to ensure that the Service Provider's business substance has not changed, and that the engagement continues to be low risk for UCSF.

Q: Does MAGNIT offer Onboarding for Service Providers and their workers?

A: Yes, MAGNIT offers Onboarding services for Service Providers engaged through the UCSF Professional Services program.

Q: What can Service Providers expect through the MAGNIT Onboarding process?

A: All workers are onboarded using UCSF's specific criteria as stated in UCSF's Master Services Agreement which is signed by both UCSF and the Service Provider. Onboarding requirements may vary based on the level of access to UCSF that is required. Individual requirements are provided at the time of onboarding.

Q: Does MAGNIT charge a fee for Onboarding Service Providers and/or their workers?

A: Yes, Service Providers are responsible for onboarding fees specific to their workers. Likewise, the UCSF Department that engaged the Service Provider will be billed a per resource fee. The fee has been pre-approved by UCSF.

Q: Where can I find more information about MAGNIT?

A: You can find more information about Magnit at <https://magnitglobal.com/>