



Frequently Asked Questions

How does NICA help my company Strengthen its Independent Contractor Model?

Now, more than ever, you need to do as much as you can to proactively put your company in the best possible position to defend its IC model. You want to contract with ICs who can truly establish their independent status. NICA's program helps them do that while greatly reducing your liabilities associated with operating with an IC workforce.

What does the weekly NICA affiliation fee cover?

The NICA affiliation fee (which is paid by and is a tax-deductible expense for the Independent Contractors) covers the occupational accident insurance. Also included is the preparation of annual state and federal tax returns for the Independent Contractor. NICA provides a tax escrow service to escrow funds for estimated tax payments. NICA offers direct deposit, makes needed or requested deductions, issues 1099s and will respond to many day to day questions and issues that can be overwhelming and time consuming to the Independent Contractor and the company.

How big is NICA?

NICA is the largest organization of its kind in the United States with offices in Massachusetts and affiliations and service provision in forty-three states and the District of Columbia.

Does NICA deduct income taxes from the drivers?

Independent Contractors are statutorily responsible for their own taxes, but NICA encourages the use of its escrow service through automatic deductions to make the proper payment of income taxes less burdensome.

Do the Independent Contractors receive Workers' Compensation Certificates?

No. Workers' Compensation is a state program that has been established primarily for statutory employees. Independent Contractors, in some instances, have purchased a Workers' Compensation policy, which only covers their employees, if any, but will not provide the Independent Contractor with any protection. This type of Workers' Compensation is commonly referred to as an "if any" policy. NICA affiliated Independent Contractors are provided protection by the occupational accident policy. This policy is made affordable through the unique buying power of NICA. Each independent contractor receives an individual occupational accident certificate detailing the coverage and benefits of the policy.

What bank does NICA use?

NICA does business with some of the largest banks in the United States including Bank of America and Citizens Bank. The settlement account, which will be established for the purpose of transacting the settlement with the Independent Contractors, is set up as a trust account. We do not co-mingle funds.

The thought of placing weekly payrolls for the ICs in NICA's bank account is a concern.

NICA has a Dishonesty Bond in place to protect the interests of the affiliated companies that do business with NICA. NICA also establishes a separate local bank account for each company, where accountability can be monitored. Please do not use the word "**payroll**" when referring to Independent Contractors. Payroll denotes employee status; at NICA, we refer to financial transactions between companies and Independent Contractors as **settlements** and so should all companies who contract with Independent Contractors. This point is critical for proper classification.

Are there any other organizations providing these services?

Several companies have attempted to provide services for Independent Contractors but none have the proven track record that NICA enjoys. NICA's familiarity with the fundamental workings of your industry and its regulatory agencies is also unparalleled.

How can my Company get started with NICA's programs?

Call 1-800-551-NICA and let us take it from there! You can also visit our websites at www.nicainc.com, or www.mynica.com.