

**National
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**Education
Dept.
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DATE: March 18, 2011

**TO: PSIA-AASI Division Executives
PSIA-AASI Teams and Coaches**

**CC: PSIA-AASI Board of Directors
PSIA-AASI Division Presidents
2012 Team Taskforce**

FROM: PSIA-AASI Education Department

SUBJECT: 2012 PSIA-AASI Team Selection Update

This communication is an information update for those interested in the 2012 PSIA-AASI team selection process and includes information that explains and clarifies that the 2012 PSIA-AASI team members will be independent contractors and not employees of PSIA-AASI. Further information regarding the 2012 PSIA-AASI Team and the selection process will be released as it becomes available.

The need to clarify the relationship between the PSIA-AASI teams and PSIA-AASI was identified by the 2012 Team Task Force for the following reasons:

1. A clear understanding of the relationship between PSIA-AASI team members and the association will ensure that expectations of both parties are accurate and realistic. This clarity will better enable prospective candidates to determine if trying to become a team member is a good fit for them and should, therefore, improve the selection process. Further, improved clarity enhances the team's ability, working in cooperation with PSIA-AASI staff, to successfully meet educational, communication, and marketing objectives.
2. Enhanced scrutiny of the working relationship between workers and the organizations that engage their services makes it increasingly important that both the workers and the organizations clearly understand the nature of their working relationship. This includes PSIA-AASI and team members.

After considerable research and discussion, the association has determined that individuals selected to be members of the 2012 PSIA-AASI Teams will be independent contractors of PSIA-AASI while performing services for PSIA-AASI or otherwise engaged in activities on behalf of PSIA-AASI. To be clear, PSIA-AASI refers to the national organization (i.e., American Snowsports Education Association, Inc.). PSIA-AASI divisions are separate legal entities that may engage and compensate team members directly.

This independent contractor status is very similar to the current relationship between PSIA-AASI and team members, reflects the high degree of independence that team members enjoy, and aligns with the role and objectives of the 2012 PSIA-AASI Teams. (Appended to this document)

The independent contractor relationship between team members and PSIA-AASI will include the following characteristics:

1. Team members will be able to offer their services to whatever clients and entities they choose and will be able to negotiate their fees directly with those clients and entities. This specifically includes PSIA-AASI divisions.
2. Team members will be able to develop their own working relationships with divisions, schools, members and suppliers without the involvement of PSIA-AASI.
3. Team members will be able to book work and negotiate fees directly with prospective clients.
4. Team members may be employed or engaged by entities other than PSIA-AASI.
5. Fees paid by PSIA-AASI to team members will not be subject to tax withholding by PSIA-AASI and will be reported to the Internal Revenue Service as nonemployee compensation using Form 1099-MISC.
 - a. Team members will be responsible for paying any applicable taxes on income they receive from PSIA-AASI.
6. Because team members will not be employees of PSIA-AASI, they will not be eligible to participate in PSIA-AASI's various employee benefit plans including such plans as group health insurance, disability insurance, life insurance, 401(k) retirement savings plan or any other employment benefits that PSIA-AASI offers to its employees.
7. Because team members will not be employees of PSIA-AASI, they will not be insured under PSIA-AASI's worker's compensation insurance policy and thus will not receive worker's compensation insurance through PSIA-AASI.
 - a. Team members will be responsible for obtaining their own insurance to protect them in the event they are hurt or injured while performing services for PSIA-AASI or for another client or entity.
8. Non-employees of PSIA-AASI, including team members, are not personally covered under PSIA-AASI's general liability policy for legal claims that may be asserted against them, including claims arising out of the performance of independent contractor services for PSIA-AASI. As explained below, team members will be required to provide evidence that they are covered under a general liability insurance policy that provides insurance protection against claims that may be asserted against them personally based upon their acts or omissions in performing snow sports related instructional activities.

At the conclusion of the 2012 selection process and prior to naming the 2012 PSIA-AASI Team, PSIA-AASI will require that prospective team members meet the following requirements:

1. Provide satisfactory evidence that the team member is covered under a general liability insurance policy that provides insurance protection against claims that may be asserted against the team member for acts and/or omissions arising out the performance of snow sports related instructional activities.
2. Provide satisfactory evidence that the team member is covered under a worker's compensation insurance policy or other medical insurance policy that provides medical insurance to the team member in the event he or she is injured while performing independent contractor services for PSIA-AASI.

PSIA-AASI recognizes that a team member may be covered under the general liability insurance policy, worker's compensation policy and/or health insurance policy of another entity, such as the team member's employer or the team member's own corporation or limited liability company. If this is the

case, the team member will be required to provide satisfactory evidence that such policy or policies provide adequate general liability insurance protection and health insurance coverage for the team member while performing independent contractor services for PSIA-AASI.

PSIA-AASI encourages all prospective team members to investigate forming his or her own corporation, limited liability company or some other legal entity to carry out snow sports related educational activities. Information regarding the process of establishing a legal business entity can be found at the IRS website here:

<http://www.irs.gov/businesses/small/index.html>

State information can be found through the office of each state's Secretary of State. Links to the offices for all 50 states can be found here:

<http://www.coordinatedlegal.com/SecretaryOfState.html>

PSIA-AASI is working to provide informational conference calls and/or web-ex sessions regarding the 2012 teams selection process. These information sessions are intended to provide opportunities to ask questions about the independent contractor relationship as well as the requirements, roles and responsibilities of being a team member. A schedule of the information sessions will be released when ready. ***Please note: These sessions are not intended to replace individual research or professional advice that prospective team members are encouraged to obtain from of an attorney or tax professional regarding the requirements, rights, obligations and ramifications of performing services as an independent contractor.***

Thank you for your interest in the 2012 PSIA-AASI Teams. Please contact the PSIA-AASI Education Department by email with any questions at education@TheSnowPros.org. We look forward to selecting an exciting, high quality team in 2012!