

BOGUS SELF-EMPLOYMENT CHEATS US ALL






What is bogus self-employment?

Rogue bosses deliberately misclassifying workers as self-employed subcontractors so as to dodge their social insurance and pension contributions, established pay rates, employment law and responsibilities.

Bogus self-employment produces big winners and losers!

There are big financial gains for employers fraudulently misclassifying workers. This is not a victimless crime. The costs are paid by these workers, good employers, the state and society. Workers forced into bogus self-employment are also denied the rights and protection directly employed workers are entitled to under employment law and collective agreements.

|  ROGUE EMPLOYERS |  WORKERS |  STATE & SOCIETY |
|---|---|---|
| No employer PRSI to pay: 10.95% of total pay. | Entitled to fewer contributory social welfare payments. | Huge losses in PRSI contributions. |
| Lower pay rates: not covered by binding pay agreements. | Paid below the going rate. | Huge losses in income tax from reduced wages. Overpaying for public projects awarded on the basis company is directly employing workers. |
| No pension contribution to pay: 3%-10% of total pay. | No occupational pension. | Increase in the number of working poor and reliance on social welfare. |
| No sick, maternity, paternity leave to pay. | No paid sick, maternity, paternity leave. | |
| No redundancy payments to pay. | No redundancy pay. | A race to the bottom in working conditions and in standards in industries as a whole. |
| No Working Time Act rules. | No fixed breaks & rest periods. | |
| No annual leave to pay: 8% of total pay. | No paid annual leave. | |
| No public holidays to pay: 9 days. | No paid public holidays. | |
| Flexibility to reduce staffing levels: no notice of termination, unfair dismissal actions, etc. | No job security: no minimum notice, no protection from unfair dismissal, etc. | |
| No responsibility for supplying protective gear. | Bigger risk to worker's health and safety. | |

Actions needed NOW to combat bogus self-employment

- Workers should only be allowed to register as self-employed if they satisfy agreed criteria.
- Make principal contractors liable for the 10.95% employer PRSI for all subcontractors.
- Strengthen Revenue's capacity for PRSI non-compliance interventions.
- WRC/ Labour Courts should replace DEASP in reviewing reported misclassifications.
- Backdating *in full* unpaid PRSI from employers found to have misclassified workers.
- Legislate to clearly define the term 'worker/employee'.