

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.	
No Working Time Act rules.	No fixed breaks & rest periods.	A race to the bottom in working conditions and in standards in industries as a whole.
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'.