



What is a Labour Only Subcontractor (LOSC)?

A labour only subcontractor must be considered as an employee. They do not usually provide their own materials, and they work under your direction. They need to be factored into your insurance calculations, so if you use labour only subcontractors you should include them in your equivalent full time employee numbers.

Labour only subcontractors will not usually have their own Public Liability insurance cover.

This does not include trainees.

If you can answer “yes” to most of these questions, the worker is probably a labour only subcontractor:

- Are they paid by the day/ week/ month?
- Can they work overtime?
- Do they always do the work themselves?
- Do you tell them what to do, where to do it, or how to do it?
- Do you supply the materials?

What it really comes down to is how much decision-making power and independence the worker has. Under UK labour law, a labour only subcontractor is an employee who:

- doesn't normally provide their own materials, equipment or tools;
- works under the direction of you as the contractor.

If you have any further questions, please give us a call on 0800 0280 380 and we will be pleased to help.