

Council of Construction Associations
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COCA Update on WorkSafeBC Activities #549 May 17, 2013

Watch for Unregistered Labour Contractors!

Recently, a COCA member called with questions about labour contractors. Are they covered by WorkSafeBC? Who pays the assessments? What about their workers?

Unfortunately, the policy in this area is complex. A labour contractor is a term used by WorkSafeBC in its Assessment Policy Manual (1-1-7) to describe a person that is not considered to be an "independent firm".

Under current policy, WorkSafeBC may determine that a person is a labour contractor, even if that person hires workers.

A labour contractor has the option of registering with WorkSafeBC -- or of not registering. If the labour contractor does not register, any workers that he hires become the workers of the firm that hires the labour contractor. Assessments must be paid for these workers and the claim costs, if any, are charged to the firm that has hired the labour contractor.

The labour contractor himself is not covered by WorkSafeBC unless the person takes out Personal Optional Protection. A person without POP becomes a potential liability for a lawsuit in the event of a purported injury.

WorkSafeBC has scheduled a review of this complex and confusing policy for its 2013-2015 WorkPlan. COCA has recommended that the entire section be simplified, with straightforward rules.

Until this policy is changed, it is important for the company hiring another company to ensure two things:

1. **Get a Clearance Letter** from WorkSafeBC through their website:
http://www.worksafebc.com/insurance/managing_your_account/clearance_letters/default.asp

Subscribe to Clearance Alert on the same site and you will be automatically notified of any change of status for the subcontractor.

2. **Ask the owner** of the non-incorporated company to provide a WorkSafeBC Letter of Standing which shows that the person has taken out POP. The person with POP must ask for the letter himself. This can be requested through:
Employer Service Centre: [604-244-6181](tel:604-244-6181) or [1-888-922-2768](tel:1-888-922-2768).