

Working practices in construction

How control, substitution and pay usually look in construction, what undermines a self-employed arrangement, and the routes that come up.

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How the work usually looks

- Site managers direct the sequence of work, and a subcontractor often decides how their own trade is done.
- Gangs and helpers are common, and a genuine subcontractor may send another qualified operative.
- Tools are usually the operative's own; plant and materials often come from the contractor.
- Pay by the day or the measure, weekly, is the norm; price work points further towards self-employment.

What tends to undermine self-employment

- Working to the client's hours, under a foreman, alongside employed staff doing the same job.
- No right to send a substitute, or one the main contractor would never accept.
- Paid by the hour with no risk of loss on the job.

Compliance points particular to the sector

- CIS applies to construction operations: verify each subcontractor with HMRC before the first payment.
- Deduct at 20% for registered, 30% for unregistered, or pay gross where HMRC has confirmed it.
- File the monthly CIS return and give payment and deduction statements.

Routes that come up

CIS, Direct PAYE for your own staff, PAYE umbrella, Irish PAYE, European managed payroll & EOR.

General patterns, not a decision about any one placement. Test the engagement itself against HMRC's Check Employment Status for Tax tool.

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