

Agency Workers Directive looms, yet still no opt-out for contractors

Today's crucial vote on the [Agency Workers Directive \(AWD\)](#) could have implications for all contractors and freelance professionals in the UK, although key legislative changes are unlikely to come into force before 2010.

Concerns have been raised about whether the directive, designed to give agency workers the same pay and working conditions as permanent employees after 12 weeks, will apply to contractors.

If the directive goes through without amendment, which looks like a strong possibility, it could mean all temp workers, including contractors, could find themselves working on multiple consecutive contracts lasting 11 weeks and 6 days before renewal becomes necessary.

Damaging to the contracting sector

Ensuring that the legislation does not damage the thriving contracting market is a priority, says Anne Fairweather, Head of Public Policy at the Recruitment and Employment Confederation ([REC](#)).

She explains what REC is doing about this: "We are now working with our Agency Work Commission to ensure that when the directive is implemented in the UK, it is workable in practice. This is vital if we are to protect temporary work opportunities, which are especially important in the current economic climate."

No opt-out for contractors... yet

Although industry bodies such as the REC have welcomed the fact that the [European Parliament](#) has chosen not to amend the directive, there are concerns that there will be major repercussions for the contracting sector as no opt-out has been negotiated for contractors or workers using intermediaries such as limited companies or umbrella companies.

The AWD was originally conceived to protect vulnerable agency workers who are mainly at the lower paid and lower skilled end of the temp market. Most contractors could hardly be described as vulnerable, low skilled or low paid, but in the AWD's current form, they would still be caught by the directive.

A clear timetable

The European Union's Member States finally agreed to a compromise deal earlier in June 2008 after years of protracted negotiations. And today, the European Parliament's Employment and Social Affairs Committee is meeting to vote on approving the AWD.

None of the political groups in the European Parliament have attempted to amend the deal, which could lead to the directive's smooth passage through the remaining statutory process.

Assuming the Employment and Social Affairs Committee vote to approve the directive today, there will be a second vote by the whole parliament within a month, which will enable the directive to be published by the end of the year.

Member States will then have three years to implement the directive and create the national legislation required. However, Member States can choose to implement the legislation sooner.

Technically, the UK government could choose to introduce legislation as early as autumn 2009 but both the REC's Fairweather and John Kell, Head of Policy at the [Professional Contractors Group](#), have previously told ContractorCalculator that it is unlikely that legislation will enter the statute book before 2010.

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Anne Fairweather, Head of Public Policy, REC



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