

Addressing Contractor Misclassification Risk in a Construction Business

The Client

Proactive Contracting Ltd., a construction company engaging 10–15 independent contractors to support ongoing operations. Over time, several contractors transitioned into long-term operational roles, increasing potential worker classification risk.



Challenges

As contractor relationships evolved, the organization faced increasing compliance and regulatory exposure due to working conditions that closely resembled employment.

- › Contractor roles no longer aligned with CRA classification guidelines related to control, dependency, and integration.
- › Contractor status was not reassessed as engagements evolved into long-term working relationships.
- › Increased exposure to retroactive payroll taxes, penalties, interest, and employment standards claims.

Solution

VensureHR partnered with the company's leadership team to assess classification risk, implement corrective actions, and establish a sustainable contractor governance framework.

- › Comprehensive assessment of contractor relationships against CRA classification criteria.
- › Reclassification of high-risk contractors into formal employment arrangements.
- › Redesign of contractor agreements and engagement structures to better support independent contractor status.
- › Implementation of governance controls, annual reviews, and standardized reassessment processes.
- › Support with corrective filings and compliance remediation to reduce regulatory exposure.

Results

Within 12 months, the organization achieved measurable compliance and operational improvements.

- › Reduced contractor misclassification and audit exposure.
- › Improved workforce governance and classification oversight.
- › Established a repeatable contractor compliance framework aligned with CRA guidance.
- › Successfully completed a subsequent compliance review with minimal adjustments.

Business Impact

By proactively addressing contractor classification risk, the company strengthened compliance controls while maintaining operational flexibility. The organization now operates with clearer workforce structures, reduced regulatory exposure, and sustainable long-term governance processes.