

Employers Checklist

- 1. Registrations required**
- 2. Documents that need to be filled out and/or filed**
- 3. Record keeping**

Employers Checklist:

1. **Registrations Required. If you are employing people within your organisation then you will have to apply for:**

Australian Taxation Office**PAYG – Withholding registration**

You will need to withhold from your employees' wages an amount of tax which will then need to be paid to the ATO as part of your Business Activity Statement either fortnightly/monthly/quarterly.

Fringe Benefits Tax registration:

A fringe benefit is essentially a benefit provided to an employee (or their associate, such as a family member) because that person is an employee of a business. Benefits can be provided by an employer, an associate of the employer, or by a third party under an arrangement with the employer. An employee can be a current, future or former employee.

Some common fringe benefits are:

- use of a work car by an employee or director; and
- paying private expenses for an employee or director, for example:
- health insurance costs;
- club memberships;
- school fees;
- holiday expenses, or
- on-site accommodation.

FBT is a tax paid on certain benefits employers provide to their employees or their employees' associates (typically family members). FBT is separate from income tax and is based on the taxable value of the various fringe benefits provided. A business providing fringe benefits to its employees may be required to pay FBT and may also need to lodge an annual fringe benefits tax return

Workers Compensation Insurance

This is compulsory wage insurance which must be taken out by the employer in each State in which they employ anyone.

The rate charged will depend upon the wages category that the employee falls into. Only certain Insurers are allowed to cover you.

State Based Payroll Tax:

Usually you will not be liable for payroll tax unless your total wages plus benefits and Superannuation expense for Employees is above \$600,000.

The rate charged differs by State. Refer to the Office of State Revenue in the state in which you have employees.

For NSW:

<http://www.osr.nsw.gov.au/taxes/payroll>

For Victoria:

<http://www.sro.vic.gov.au/sro>

For Queensland:

<http://www.osr.qld.gov.au/payroll-tax/about-payroll-tax/payroll-tax-overview.shtml>

2. Documents that need to filled out and/or filed. You should supply your new Employee:

A. A Letter of Engagement:

This is not compulsory, however we recommend that it should be done.

Suggested steps for preparing and using an Engagement Letter

Step 1: Create your letter of engagement

Check what minimum entitlements apply to the position so you can fill in the relevant sections in the template, including:

pay

hours of work

shift penalties and loadings

leave entitlements, and

termination of employment notice periods.

Minimum entitlements can come from a range of sources including industrial instruments (e.g. an award or an enterprise agreement) and legislation, such as the *Fair Work Act 2009*.

Step 2: Consider whether you need legal advice

You don't have to seek legal advice when you're hiring new staff, but for some jobs and in some industries it's a good idea to ask for professional help. For example, certain jobs and industries might have specific requirements to do with restricting future trade or confidentiality clauses; this template does not provide the legal details you might need in these instances. It may be necessary or appropriate to have an employee sign a detailed written contract of employment as well as a letter of engagement. Even in more straightforward roles, you may want specific professional advice to assure yourself that you have covered all the important issues that relate to your business and the position you are filling.

Step 3: Meet with the new employee and provide the letter of engagement

Meeting face to face with your new employee to provide the letter and talk about the contents is a good opportunity for:

you to explain the terms and conditions of employment

the employee to ask questions, and

you to describe your expectations for the job.

Step 4: Give your new employee time to consider the letter of engagement

You should give the person enough time to consider the contents of the letter of engagement and seek their own advice (if they want it) before they accept the offer. When providing the letter you should give a date by when you'd like the person to let you know whether the offer is accepted.

Also, it is good practice to give the employee your contact details in case they have more questions.

Step 5: Keep a copy of the signed letter of engagement and provide the employee with a copy

Once you have received the signed letter of engagement from the employee, return a copy to them. This ensures you both have a record of what has been agreed.

An example Engagement letter can be viewed at:

<http://www.fairwork.gov.au/resources/templates/pages/employing-staff.aspx>

B. Fair Work Information Statement:

This is compulsory.

This needs to be given to all new employees. Download a copy at:

<http://www.fairwork.gov.au/FWISdocs/Fair-Work-Information-Statement.pdf>

C. Tax File Number Declaration:

This is compulsory.

All new employees need to fill this out.

<http://www.ato.gov.au/government/content.aspx?doc=/content/6360.htm&mnu=42730&mfp=001/003>

D. Superannuation Choice Form:

This is compulsory.

This needs to be filled out by all new employees and also existing employees who want to change their Superannuation provider.

<http://www.ato.gov.au/corporate/content.aspx?doc=/content/56761.htm>

The current rate is 9% on wages/salaries and should be paid by the 28th day of the month following the close of each quarter. So by the 28th of January, April, July and October.

E. PAYG Employment Annual Summary

This is compulsory.

This needs to be filled out each year and filed with the Australian Taxation Office.

Employees' Checklist:**3. Records that must be kept of your employees**

An employer is not compelled to provide information outside the requirements contained in the record keeping provisions of the Fair Work Regulations 2009. The minimum record keeping requirements are contained in the Fair Work Regulations 2009.

- A. Pay Slips

- B. Employment Records

- C. Leave Records

Examples of 'best practice' and the legislated requirements in keeping the above records can be viewed at:

<http://www.fairwork.gov.au/resources/templates/pages/default.aspx>