




ULTIMATE
TAX & ADVISORY

HIRING EMPLOYEES FACT SHEET

 08 6144 3370

 office@ultimate-tax.com.au

 www.ultimate-tax.com.au

 PO Box 554 Mt Lawley WA 6929

 Unit 2, 868 Beaufort Street Inglewood WA 6052

 Ultimate Tax & Advisory

 @ultimate_tax

HIRING EMPLOYEES FACT SHEET

Hiring employees is an important step in your business and you want to make sure it is done correctly as there can be serious consequences if you don't.

Some things you need to consider are:

- Creating employment agreements/contracts to protect your business – get these drawn up by a lawyer
- Requirement to pay staff according to the correct award as per <https://www.fairwork.gov.au/> or <https://www.commerce.wa.gov.au/labour-relations/wageline>
- Ensuring you are paying the correct sick leave and annual leave entitlements as per the correct award
- Requirement to register for PAYGW and withhold tax from your employees wages (the tax amount to be withheld is shown in the tax tables attached)
- If employees have HELP debts there is a different tax table that will need to be downloaded)
- Ensuring your insurance covers you for having employees
- Ensuring tax file number declarations and super choice forms are completed for all staff – copies of these forms are attached
- Paying superannuation on the employees gross wages at the current rate required and registering through a superstream compliant fund
- Your bookkeeping software such as Xero, MYOB, QuickBooks, etc should have these capabilities and the small business super clearing house is also a great option if you have less than 20 employees <https://www.ato.gov.au/business/super-for-employers/paying-super-contributions/small-business-superannuation-clearing-house/>



WHEN TO PAY SUPER

QUARTER	PERIOD	PAYMENT DUE DATE
1	1 July – 30 September	28 October
2	1 October – 31 December	28 January
3	1 January – 31 March	28 April
4	1 April – 30 June	28 July

- It is a requirement to offer a default superfund to your employee – this means if your employee does not have a superfund they can join your employer superfund
- Ensure employee has not working holiday maker visa requirements/or has provided the correct visa requirements

Check these details on the VEVO website

[https://www.border.gov.au/Busi/visas-and-migration/visa-entitlement-verification-online-\(vevo\)](https://www.border.gov.au/Busi/visas-and-migration/visa-entitlement-verification-online-(vevo))

The WHM employee is not obliged to advise the employer of their WHM status (however, it would be in their best interest to do so to ensure the correct amount of tax is withheld from their payments); rather, the onus is on the employer to make sure they correctly identify employees who are WHMs.

Register as a Working Holiday Maker Employer if required

<http://www.ato.gov.au/twhm/>

- Creating pay templates/providing payslips to employees – we have attached a payslip template but most accounting software such as Xero, MYOB, QuickBooks etc will be able to prepare electronic payslips for you or you may need to upgrade your current software subscription
- PAYG payment summaries need to be completed each year and provided to staff prior to 14th July – these can be ordered online via the ATO website or your accounting software will prepare these electronically



- Payroll tax in WA is requirement to be paid for employers which have large total gross wages. These rates frequently change so please contact us. Find out more on the Department of Finance website https://www.finance.wa.gov.au/cms/State_Revenue/Payroll_Tax/Payroll_Tax.aspx
- Are you providing any non-cash benefits to your employees that may require you to pay Fringe Benefits Tax (FBT) and lodge an FBT return? Contact us for more info

If you decide to hire contractors rather than employees, there may be some issues with this due to the ATO rulings and it is best to contact us first and we can send you through our 'Employee vs Contractor Fact Sheet' to ensure you are doing this correctly to avoid any unnecessary penalties.



Hiring employees is an important step in your business

YOU WANT TO MAKE SURE IT IS DONE CORRECTLY...



THANK YOU FOR YOUR BUSINESS



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