



**ULTIMATE**  
**TAX & ADVISORY**

# Hiring Employees Fact Sheet

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# Hiring Employees Checklist

## Checklist

1. Conduct interviews and choose an applicant to hire
2. Prepare employment contract in accordance with the correct award
  - You may want to consult a lawyer to prepare this
3. Register for PAYG withholding (if not already registered)
4. Update insurance to ensure you are covered for the employee
5. Provide new employees with employment pack
  - Employment contract in accordance with the correct award
  - Employment Information Form (to be returned to employer)
  - Tax file number declaration (to be returned to employer)
  - Super choice form (to be returned to employer)Any other relevant State and Federal documents e.g. fair work information statement
6. Go through employment contract with employee & both parties to sign
  - Provide employee with a copy of signed contract
7. Ensure employee has no Working Holiday Maker visa requirements/or has provided the correct visa requirements
  - Register as a Working Holiday Maker Employer if required
8. Lodge tax file number declaration with the ATO within 14 days
9. Add employee to your bookkeeping/payroll software ready to lodge payruns via STP
10. Provide employee with payslip after each pay and withhold the correct amount of tax required. Lodge payrun via STP.
11. Lodge Gross Wages (W1) and Tax Withheld (W2) amounts to the ATO via IAS/BAS
12. Ensure employee super is paid by the due dates
13. Review your STP Finalisation information and prepare and lodge to the ATO via your payroll software. Please note: annual payment summaries are no longer required and the STP finalisation will be sent directly to your employees MyGov account.



# 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

Ensuring your bookkeeping software meets STP requirements and you are lodging payruns and STP finalisation via this method.

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 payruns/payslips to employees – this needs to be done via an STP compliant software such as Xero, QuickBooks or MYOB. Payslips will be electronically prepared and emailed to your staff. Payruns also need to be submitted via STP directly to the ATO each time a payrun is made.
- STP Finalisation needs to be completed each year and submitted to the ATO prior to 14th July – your accounting software will prepare these electronically and sent to the ATO/your employees MyGov account
- 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](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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