FLASH SHEET

Your Role and Obligations as an Employer

What is my role and obligations as an Employer?

If you are considering going into a business that may require you to employ people, you should be aware of your potential role and obligations as an employer. This flash sheet lists some of the key areas and responsibilities which you need to become familiar with.

Are you employing an Employee or Contractor?

- Employee:
  - TFN declaration form to be completed and returned to the ATO within 14 days of employment starting
  - Ensure you are registered for PAYG Withholding
  - Determine if employee is eligible for Superannuation Guarantee
  - Determine if employee is eligible for Super Choice and which fund to use
  - Determine if any Fringe benefits will be provided to the employee and if so
  - ensure you are registered for FBT
    If entering into a salary packaging arrangement ensure it is documented

- Contractor:
  - Consider voluntary agreement with contractor - if entering then register for
  - PAYG Withholding
    Determine if contractor is considered an employee for Superannuation purposes

Your Role and Obligations as an Employer:

- Fair employment legislation and National Employment Standards:
  - Be aware of equal employment opportunity and anti-discrimination legislation, as well employment standards generally as governed by NES

- Providing a safe workplace:
  - As an employer you must observe and meet Occupational Health and Safety requirements in respect of your employees

- Resident versus non-resident employees:
  - If hiring people from overseas, ensure they have the appropriate visas

- If employees, will you hire:
  - Full-time vs part-time vs casual
  - Will you hire apprentices? Investigate government incentives and financial assistance available

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- Remunerating your employees:
  - Ensure you are observing minimum conditions and requirements set out in
  - any relevant industrial award of agreement
  - Remunerate in accordance with the employment contract
    Be aware that from 1 July 2011, employers must pay parental leave to long-term employees who give birth to or adopt a child
  - PAYG Withholding obligations:
    - Calculate and deduct tax applicable on earnings, taking note of
    - Withholding Declarations and Withholding Variations provided
      PAYG Withholding that has been deducted from payments to
    - workers is submitted to ATO on activity statement either monthly or
    - quarterly depending on ATO registration
    - Annually provide a PAYG Payment Summary by 14th July to relevant
    - workers
      Annually provide a PAYG Withholding Annual Report by 14th August
    - to the ATO
  - Mandatory superannuation:
    - Calculate and pay superannuation for staff on a quarterly basis
    - Comply with new Superannuation Guarantee reporting rules
      (effective 1 July 2014 onwards)
- Insuring your employees:
  - Workers' Compensation insurance
  - Public Liability insurance
- Fringe Benefits Tax:
  - Pay FBT instalments quarterly if reported on activity statements
  - Annually by 21 May lodge Fringe Benefits tax return and pay any liability
  - owing
    Annually by 14 July include staff reportable FBT on PAYG Payment Summary

This flash sheet does not necessarily cover all aspects of your role and obligations as an employer as they apply to your individual situation. Please contact your manager or partner at Enspira Financial to discuss.

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