

In Control

Employing
your own staff

In Control: A guide to employing your own staff has been developed for CYDA to support families of children and young people with disability to self-manage their NDIS plans. Information provided is intended as a general guide and may not be fully up to date. CYDA is not responsible for decisions made by the NDIA or its partners in the community. For the most current information on the NDIS, refer to the NDIS website.



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Overview of this guide

Employing your own staff member may initially seem a little daunting, and you may not know where to begin. This guide has been developed to assist you in engaging an employee and managing them once they are onboard with you. This guide has been designed to make this process as simple as possible. Remember, it will take a little bit of time and effort to achieve, but we have removed the difficult aspect and kept it simple. Enjoy the journey.

Please note, if you are employing in Western Australia, due to employment law specific to your state, we recommend you use the resource from WA Individualised Services: [“Engaging your own supports”](#)

Road Map

Guide to employing your own staff

- Employee or Contractor?
- How much to pay your new employee
- Letter of Engagement
- Withholding Tax
- Do I need to pay superannuation?
- How to report and pay Superannuation
- Applying for Workers Compensation Insurance
- Public Liability / Household / Car Insurances
- What payroll system will you use?
- Preparing the induction pack for your new employee
- Preparing to run your first payroll

1

Recruitment

- Budget to Employ
- Position Descriptions
- Sourcing the Right Candidates
- The Interview
- Checks
- Communicating with Successful & Unsuccessful candidates

2

Conditions of Employment

3

Your employee starts – Induction & Training

- Induction Checklist
- Induction pack
- Home Safety Checklist
- Training

4

Retaining Your Employee

- Communication Plans
- Check in Conversations

5

Wage/Salary Reviews

6

Performance Management

7

Termination of Employment

- Termination for Poor Performance
- Employee Exit Checklist

8

Keeping Your Knowledge Current

> Budget to employ

Before embarking on employing a staff member or engaging a contractor, it is important to make sure you have the finances to do so. Take the time to complete the budget template in the appendix. (Appendix 1). You will also need to know the funds you have from the NDIS plan for each support category. Some of the information you may need to complete will be explained further (See section How much to pay your employee).

> Position description

So, you have decided to start looking for someone to work with you. Our first step is to write a position description (Appendix 2). A position description includes all the details the employee will need to know about their new role. This document, if prepared well, sets the expectations and therefore the employee knows what is expected of them, throughout the period of employment. We have prepared a template (Appendix 2) and an example for you (Appendix 3). Use the template to create your own position description and use the example to help you complete yours. Where there is highlighted yellow content in the template, this indicates you need to choose one of the options available. Please note, if the person is a contractor they don't need a position description as they will have a service agreement with the NDIS participant. The contractor/sole trader will invoice the participant.

Whilst preparing the position description, you should start researching how much to pay your employee, to ensure you are paying as per legislation or above. (See section – How much to pay your employee)

> Sourcing the right candidate

It's time to find a candidate, but how? You may already have someone in mind that would like to work with you, but if you don't, there are great ways to recruit. These include:

- community centre boards
- Facebook groups
- word of mouth
- family networking
- advertising at the local supermarket
- advertising at the local library
- HireUp – they take care of paying the employee
- Mable – you are able to advertise and find support workers in the Mable platform but the support workers are independent and sole traders so you will negotiate directly with them regarding payment. Mable will have a record of the service agreement between the you and the worker. The worker is not supervised by Mable.
- Additional sourcing platforms can be found at the [NDIS website](#).

We have written a sample job advertisement for you, see (Appendix 4). The key headings we recommend you use when writing a job ad are:

- **Your new role** – an overview of what the candidate will be doing whilst working for you (this can be taken from the position description)
- **Your responsibilities** – a list of responsibilities and tasks they will undertake (this can be taken from the position description)
- **Ideally you will have** – list the certificates, licenses, skills etc. that they will require (this can be taken from the position) – common requirements include a police check, working with children check, first aid training, current drivers' license/car insurance
- **We will offer you** – tell them why they should work with you e.g. you will pay a good wage/salary, superannuation etc.
- **How they should apply** – details of where to send their application, who to call etc.

Adjust the sample job ad (Appendix 4) to reflect the role you are recruiting and place the ad to attract the right candidate.

> Screening candidates

Hopefully within a few days of posting your job ad, you will have a few applicants and can review their resumes. Do they have the skills, experience and qualifications needed to work with you?

Take the time to read their resumes and cover letters if they have provided one. Select applicants to interview that have the skills, experience and qualifications you need and arrange a time to meet with them, face to face if you can. Where possible, involve the NDIS participant in the decision making process of interviewing and selecting the employee.

> The interview

Ask the applicants to complete the Application Form (Appendix 5) whilst they are at the interview with you, or you can email it out to them prior to the interview and ask them to complete. Ensure they have completed and signed it, and provided you with copies of their qualifications, certificates and licences.

Ensure you have spent time preparing the questions you will ask during the interview. The more you prepare, the greater chance you will employ the best person for the position. We have prepared some interview questions for you in (Appendix 6).

> Checks

Prior to offering your preferred candidate the role, it is important to complete background checks. There are 4 main types of checks to complete:

- Reference checks
- Police Checks
- Working with Children Check/Working with Vulnerable People Screening
- They have the right to work in Australia. Ask them to provide evidence of this such as passport, birth certificate, visa etc.

Reference Checks

Reference checks are conducted to verify the information an employee has shared with you regarding their previous experience, and to gain clarity on their work ethic. Ask the candidate to provide contact details of at least 2 people they have previously worked with, ideally a manager or previous client or the person they answered to. Call or email these previous employers. Suggested questions to ask during a reference check are attached in Appendix 7.

Police Checks

The applicant may have a current police check, however if they don't, ask them to complete. This can be done by selecting the appropriate link below. If they do have a police check that is current (less than a few months old), ensure you read it. You are looking for the police check to say NO disclosable court outcomes were recorded. There is a cost to getting a police check of about \$55.00.

If the person you are considering employing does not have a clearance/screening, you are responsible for paying the fee for the application. In Victoria there is also a "working with vulnerable people check". Below are a list of agencies where you can obtain a police clearance.

Right to Work in Australia

Ask your preferred candidate to confirm they are able to work in Australia, by providing proof e.g. copy of their birth certificate, Australian Passport, or copy of their visa.



Find out more

How to apply for a national police check

- Please complete the Consent to Check and Release National Police Application Form below and print.
- Sign and date the application form in the presence of the same person certifying your proof of identity documents (please see the application form for a list of accepted certifiers).
- Have the certifier sign and date each copy of your proof of identity documents (100 points).
- Obtain a cheque or money order for the required fee.
- Attach all the paperwork including payment and mail to the address listed on the application form.

Sourced from Victoria Police: www.police.vic.gov.au/national-police-records-checks



Helpful links

Contacts for obtaining National Police Clearance

State/Territory Agency and website address

ACT [Australian Federal Police](#)

NSW [NSW Police](#)

QLD [QLD Police](#)

SA [SA Police](#)

VIC [VIC Police](#)

WA [WA Police](#)

NT [NT Police](#)

TAS [TAS Police](#)

Working with Children Check (only for those under 18 years of age) and Vulnerable People Screening checks can be obtained from the below websites. There are easy to use options such as below.

State/Territory Agency and website address

ACT [Working with vulnerable people registration](#)

NSW NSW Office of the Children's Guardian:
<http://www.kidsguardian.nsw.gov.au/Working-with-children/working-with-children-check>

QLD QLD Government Blue Card:
<http://www.bluecard.qld.gov.au/about.html>

SA [Department of Human Services Screening](#)

VIC Department of Justice:
<http://www.workingwithchildren.vic.gov.au/>

WA [Working with Children Check](#)

NT [Working with children clearance](#)

TAS Department of Justice:
http://www.justice.tas.gov.au/working_with_children

> Communicating with successful and unsuccessful candidates

Once all checks have come back, and the results are positive and indicate your candidate will be competent and a good employee, it is time to offer them the role. When calling to advise they have been successful, confirm details as suggested below. It would help to complete the table before calling.

.....
Start date

Position

Employee or Contractor

Full time/part time/Casual

Hours and days of work

Permanent or maximum term contract

Wage or Salary

Superannuation to be paid

Annual Leave / Personal Leave

*(Only applicable for full time
and part time employees)*

Position description to be used

.....

For unsuccessful candidates, it is polite to take the time to advise them they have been unsuccessful. You can do this over the phone or via email. An example decline email can be found in Appendix 8.

2

Conditions of Employment

> Employee or contractor?

The candidate you have chosen to work with you, maybe an employee or a contractor. You need to know the difference as this will affect how you pay them, whether you need to pay superannuation or withhold tax. So, what is the difference between an employee and a contractor?

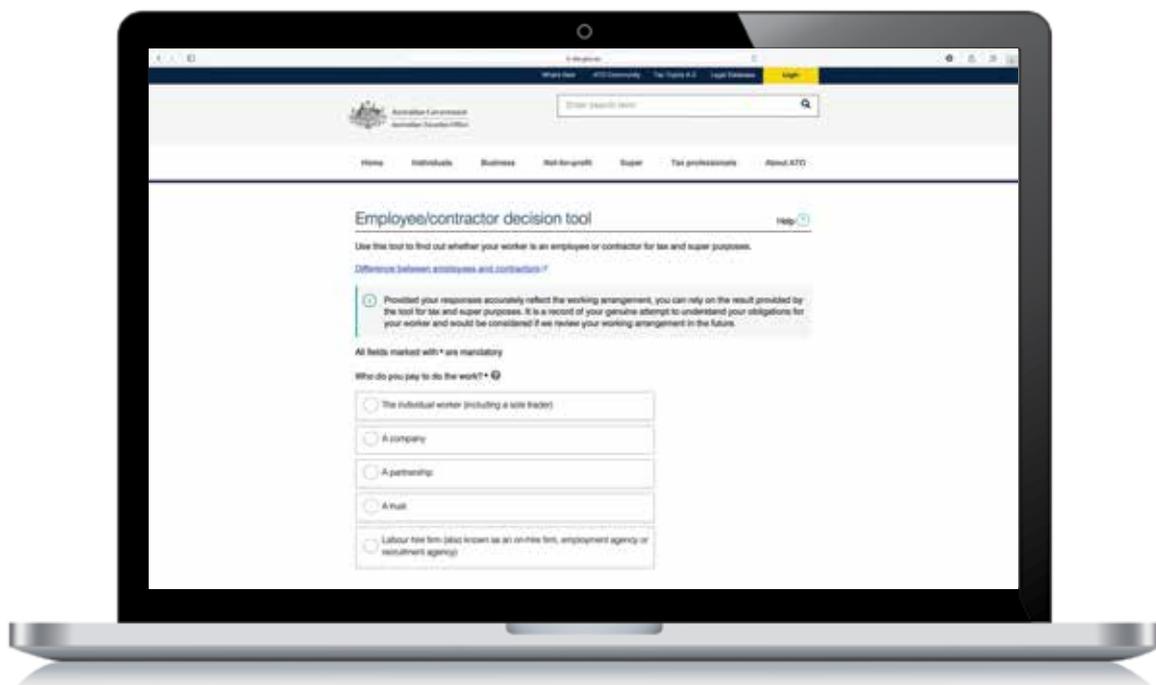
- An employee works in your household. You will provide them with a letter of engagement.
- A contractor is running their own business. You should have a [service agreement](#) in place with a contractor.

The ATO (Australian Tax Office) have developed a [table outlining six of the factors](#) that (see below), taken together, determine whether a worker is an employee or contractor for tax and superannuation purposes. This information helps in understanding each contributing factor involved in the decision-making process.



Hints and tips

You can even use the [interactive decision tool](#) that takes the guess work out of it and save the results. In addition, it is recommended you use the [superannuation guarantee eligibility decision tool](#) to work out if they are entitled to super guarantee contributions as well.



ATO's interactive employee/contractor decision tool



Find out more

Difference between employees and contractors

Employee

Ability to subcontract/delegate: the worker can't subcontract/delegate the work – they can't pay someone else to do the work.

Basis of payment – the worker is paid either:

- for the time worked
- a price per item or activity
- a commission.

Equipment, tools and other assets:

- your business provides all or most of the equipment, tools and other assets required to complete the work, or
- the worker provides all or most of the equipment, tools and other assets required to complete the work, but your business provides them with an allowance or reimburses them for the cost of the equipment, tools and other assets.

Commercial risks: the worker takes no commercial risks. Your business is legally responsible for the work done by the worker and liable for the cost of rectifying any defect in the work.

Control over the work: your business has the right to direct the way in which the worker does their work.

Independence: the worker is not operating independently of your business. They work within and are considered part of your business.

Contractor

Ability to subcontract/delegate: the worker can subcontract/delegate the work – they can pay someone else to do the work.

Basis of payment: the worker is paid for a result achieved based on the quote they provided.

A quote can be calculated using hourly rates or price per item to work out the total cost of the work.

Equipment, tools and other assets:

- the worker provides all or most of the equipment, tools and other assets required to complete the work
- the worker does not receive an allowance or reimbursement for the cost of this equipment, tools and other assets.

Commercial risks: the worker takes commercial risks, with the worker being legally responsible for their work and liable for the cost of rectifying any defect in their work.

Control over the work: the worker has freedom in the way the work is done, subject to the specific terms in any contract or agreement.

Independence: the worker is operating their own business independently of your business. The worker performs services as specified in their contract or agreement and is free to accept or refuse additional work.

Authorised by the Australian Government, Canberra.

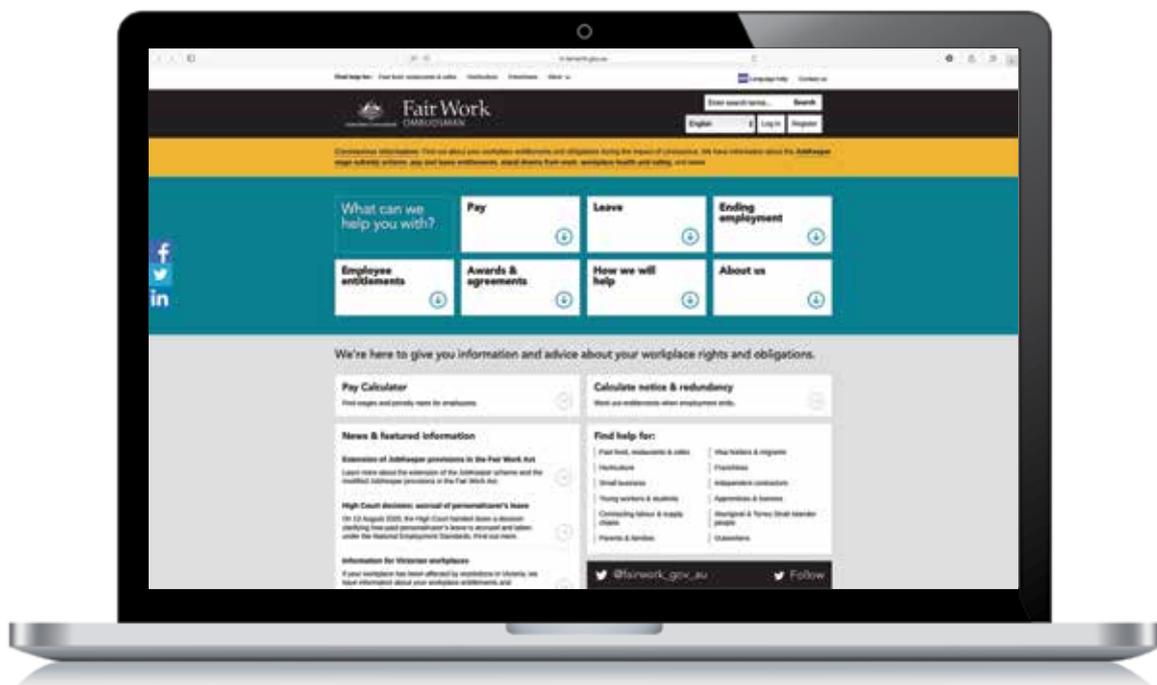
> How much to pay your new employee?

All employees, aside from some employees employed in the state of Western Australia fall under the national industrial relations system. As a result, employee's conditions of employment must meet legislation as outlined in the Fair Work Act 2009, National Employment Standards and the Modern Award. For many employee's employed, the conditions of employment will be detailed in the Social, Community, Home Care and Disability Services Industry Award 2010. A copy of the modern award can be found at the [Fair Work Ombudsman](#). This site provides excellent information, support, guides and templates to help make managing your employee as simple as possible.

You are able to negotiate the pay rate that you pay your employee, however it is important to remember you must pay them equal to, or more than they are entitled to under the relevant modern award. Most roles are defined in Schedules, found at the end of the modern award.

For example, if you are looking for someone to provide domestic support at home, the role would be classified as a Home Care Employee, Level 1 under [Social, Community, Home Care and Disability Services Industry Award 2010](#). You would find this by looking in Schedule E for Home Care employees. Here is a description:

Home Care Employee Level 1 – Indicative but not exclusive tasks include: the undertaking of semi-skilled work, including cleaning, vacuuming, dusting, washing and ironing, shopping, sweeping paths, minor maintenance jobs, preparation and cooking of meals, defrosting refrigerators, emptying and cleaning of commodes, banking and account payment, organising appointments, assistance with care of pets, and care of indoor and outdoor pot plants.



Fair Work Ombudsman website

You can use the [PACT Calculator](#) on the Fair Work website to help you determine what rate of pay you should pay or look up the current [Social, Community, Home Care and Disability Services Industry Award Pay Guide](#). The rate of pay will differ for full time/part time vs casual.

As an employer, you are also responsible for covering the cost of protective equipment (e.g. gloves)

To determine the minimum wage you need to pay your employee, do the following:

1. finalise your position description
2. compare the position description again the tasks for each job role in the [Social, Community, Home Care and Disability Services Industry Award 2010](#), Schedule E for Home Care employees
3. Select the classification that you feel best matches the position description
4. Use the [PACT Calculator](#) or download the [Social, Community, Home Care and Disability Services Industry Award Pay Guide](#) to find out the hourly rate of pay
5. Determine if there are allowances that you may be required to pay, such as First Aid Allowance, Vehicle Allowance, Telephone reimbursement etc. For Home Care Employees, whose role falls under the [Social, Community, Home Care and Disability Services Industry Award 2010](#), more detail can be found in the award clause 20.
6. If your employee works outside of normal office hours, you may be required to pay penalty rates, overnight rates, and perhaps overtime rates. If they work on public holidays, you will need to pay them appropriately. Again, these are detailed in the pay guide.
7. If you are unsure, call the Fair Work Ombudsman on 131394 and have your Withholding Payer Number with you in case they request this.

The NDIS has valuable information regarding [rates of pay](#) on their website.



Fair Work Ombudsman's PACT Calculator

> Letter of engagement

Whether you employ a contractor or an employee, you should have an agreement in place to confirm terms and conditions of employment or the engagement. We will focus on contracts only for employees. The type of contract you provide will differ dependent upon the type of engagement you need or you have agreed to. The main types of agreements are:

- Letter of Engagement for Full time employee or Part Time employee (Appendix 9)
- Letter of Engagement for Casual employee (Appendix 10)

The Letter of engagement should satisfy the minimum entitlements apply for the employee. Examples of each of these are contained in the appendices. These should be issued and signed by yourself and the employee prior to the employee commencing. Give your employee time to consider the offer. Ensure you keep a signed copy of this letter.

If you have engaged an employee, you are required to **pay superannuation and withholding tax**. The next sections step through how to set up paying tax and superannuation.

> Withholding tax

The ATO have very helpful information to assist you understand [your responsibilities](#) if you decide to hire support workers.

If you have engaged an employee, you need to withhold amounts of tax from payments made to your employees. To set yourself up to do this, the first step is to apply for a [PAYG withholding account](#) so you can send the tax you withhold to the ATO. This needs to be done before you pay them for the first time, so it's best to complete the form and send it off now.

Complete the form – [Application to register a PAYG withholding account](#) (NAT 3377, PDF, 323KB) (Appendix 11). The form contains instructions on how to complete on the first page. The form also explains how to submit the form using 3 options. These are detailed on the last page and are outlined below:

- send it as an attachment using the Business, Tax Agent or BAS Agent portals (you need to be registered to deal online)
- fax it, with any attachments, to 1300 130 905 (do not include a header or cover sheet because this will delay processing)
- mail it to Australian Taxation Office PO Box 3373 PENRITH NSW 2740

On a quarterly basis, you will be sent a Business Activity Statement (BAS), which will likely come via your MyGov account or your Business Portal (if you have an ABN). Guidance is provided on the [ATO portal](#) stepping through how to complete the BAS, for example, how to complete the Pay as You Go (PAYG)

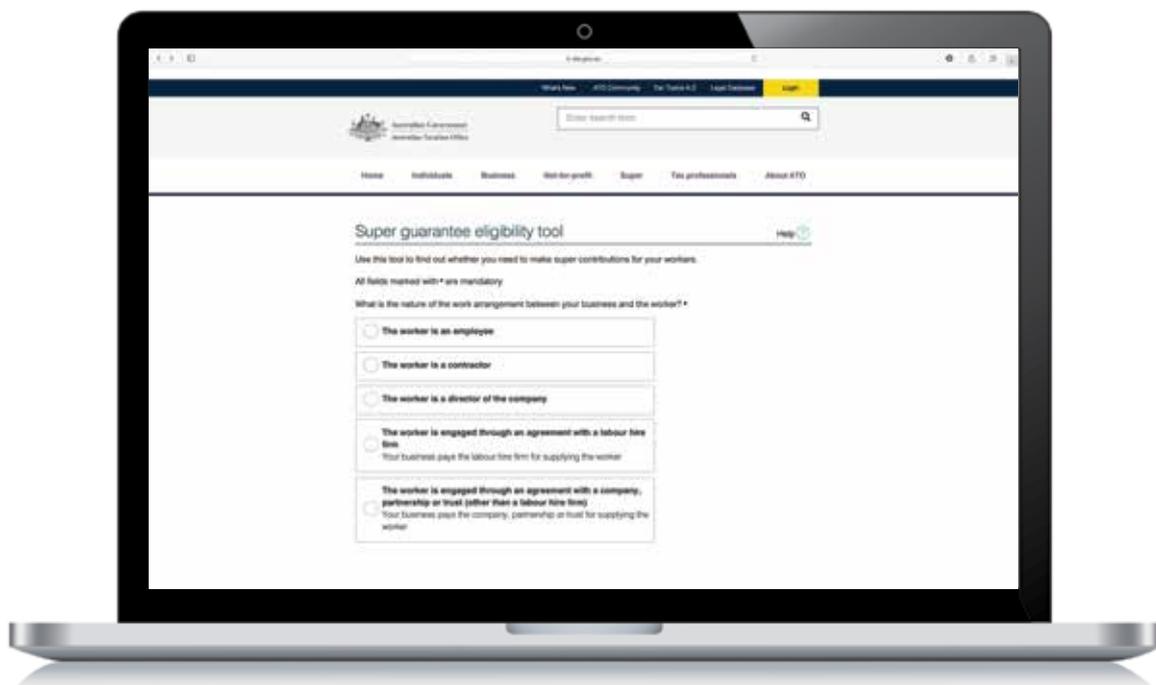
> Do I need to pay superannuation?

You will pay superannuation if your employee is under 18 or is a private or domestic worker. They must earn \$450 or more per month (before tax) **and** work for more than 30 hours per week to qualify e.g. you will have to pay them superannuation on top of their wages for each week that the employee has worked more than 30 hours and earned more than \$450 per month. You may consider paying superannuation, even if legally not obliged to as they maybe eligible for this \$450 or more per month working elsewhere. You may need to pay superannuation for some contractors, even if they quote an Australian business number (ABN). The superannuation guarantee eligibility decision tool can assist you determine if you need to pay or not.

What is a domestic or private worker? Domestic or private means work relating personally to you (not to a business of yours), or work relating to your home, household affairs or family – such as a nanny, housekeeper or carer.

As an employer, ask your employee to complete the Superannuation Standard Choice Form (Appendix 12) on their first day if you will need to pay superannuation on top of their wages. They will more than likely have a superannuation fund they would like you to pay into. This fund must be a complying fund.

If they do not have a fund, you may need to advise them of your default fund. One of the funds in the Social, Community, Home Care and Disability Services Industry Award 2010 is HESTA. You are able to set yourself up as an employer online via HESTA. You will need your Withholding Payer Number (WPN) when signing up. You can then add your employee to this superannuation fund by adding them as a member through the online portal.



ATO's superannuation guarantee eligibility decision tool

> How to report and pay superannuation

SuperStream is the way businesses must report and pay employee superannuation guarantee contributions to super funds. To meet SuperStream requirements, you need to pay super contributions and send the associated employee information electronically in a standard format. There are various ways you can do this. You can use:

- a payroll system that meets the SuperStream requirements
- your super fund's online system e.g HESTA have an online system where you can enter details for payment of superannuation for your employee
- a super clearing house – You can use the ATO's free Small Business Superannuation Clearing House (SBSCH), although you may only use this if you want efficiencies e.g. if you have more than one superannuation fund to pay, however it is not compulsory. You access this by setting up the business portal ATO link if using an **ABN**. To do this follow the instructions on the portal page:
 1. Set up myGovID by selecting the "MyGovID" link and following the instructions
 2. then select "Relationship Authorisation Manager (RAM)" to link your WPN/ABN to your ID and RAM from this site.

If you have a **WPN**, you can access the super clearing house from your MyGov Account

- a messaging portal

To pay the SuperStream way, you'll need to collect the following information from your employees:

- your employee's tax file number (TFN)
- the Australian business number (ABN) of your employee's super fund
- the unique superannuation identifier (USI) of your employee's super fund
- Check your employee's superannuation fund is a complying fund [here](#)

If you have an ABN, to pay using the Small Business Superannuation Clearing House, log into the Business Portal and select Manage Employees on the left hand side. The below screen will come up, where you can select "Small Business Superannuation Clearing House":

If you have a WPN, choose the Small Business Superannuation Clearing House once logged into your MyGov account. This ATO Online Service Simulator maybe helpful.

You will then be taken to this screen, where the portal is very user friendly. To add an employee, simply select "Employees" and then the "add" button, then fill in the details, and so on.

> Domestic Workers Compensation and Return to Work Information

This matrix provides information in relation to your Workers Compensation and Return to Work (RTW) obligations to your employees. Please refer to the section relevant for your state/territory as each scheme has different rules and legislation in place for domestic employees who will need to get a household worker insurance.

It should be noted that some States and Territories offer a Support Worker Insurance package for in home support workers which includes public liability, professional indemnity and income protection insurance. The income protection insurance component is optional in many of these policies and may not fully cover the worker and the costs associated with their injury should they sustain an injury at work. It is important to discuss insurance requirements with your support worker and what type of insurance they have to cover themselves should they sustain an injury or cause injury or damage in your home.

Some jurisdictions also offer an option on your home and contents insurance to cover your in home support workers – you should discuss this with your current H&C insurer.

For further jurisdiction specific advice regarding your requirements and obligations, it is recommended you speak with your accountant or legal practitioner.

Domestic Workers Compensation and Return to Work Information by State/Territory

State/ Territory	Regulator	What insurance do I need?	Injury/Claim reporting requirements	RTW requirements
SA	RTWSA https://www.rtwsa.com/ Ph.: 131855	Workers Compensation	Within 24 hours after the occurrence of the injury but, if that is not practicable, as soon as practicable after the occurrence of the injury Report to: Your Workers Compensation Insurer	<u>Return to work obligations SA</u>
VIC	WorkSafe Victoria https://www.worksafe.vic.gov.au/insurance Ph.: 1800 136 089	Workers Compensation	Notify when claim is received Report to: Your Workers Compensation Insurer	<u>Return to work obligations in VIC</u>
TAS	WorkSafe Tasmania https://worksafe.tas.gov.au/topics/compensation/workers-compensation Ph.: 1300 366 322	Workers Compensation	Within 3 working days of being notified of injury Report to: Your Workers Compensation Insurer	<u>Return to work obligations TAS</u>

State/ Territory	Regulator	What insurance do I need?	Injury/Claim reporting requirements	RTW requirements
ACT	Access Canberra https://www.accesscanberra.act.gov.au/app/answers/detail/a_id/2989/~/_workers-compensation Ph.: 132281	Workers Compensation	Within 48 hours of being notified of injury Report to: Your Workers Compensation Insurer	<u>Return to work obligations in ACT</u>
NSW	SIRA https://www.sira.nsw.gov.au/insurance-coverage/workers-compensation-insurance Ph.: 131050	Workers Compensation	Within 48 hours of being notified of injury Report to: Your Workers Compensation Insurer	<u>Return to work obligations in NSW</u>
QLD	WorkCover Qld https://www.workcover.qld.gov.au/ Ph.: 1300 362 128	Workers Compensation	Within 8 business days of being notified of injury Report to: WorkCover Qld	<u>Return to work obligations QLD</u>
NT	NT WorkSafe https://worksafe.nt.gov.au/workers-compensation Ph.: 1800 250 713	Workers Compensation	Within 3 working days of being notified of injury Report to: Your Workers Compensation Insurer	<u>RTW video for Employers</u> <u>Employer Guide to Workers Compensation and RTW</u>



Find out more

Workers' Compensation Agents/Household/domestic worker Insurers

State/Territory	Insurers
SA	Employers Mutual Limited (EML) Gallagher Bassett Services
VIC	Allianz EML Vic Pty Ltd. Gallagher Bassett Services Workers Compensation Victoria Xchanging CGU
TAS	Catholic Church Insurances Limited CGU Employers Mutual NSW Limited GIO Guild Insurance Limited QBE Zurich Allianz
ACT	QBE insurance CGU Workers Compensation Zurich Financial Services GIO Workers Compensation Allianz
NSW (Via icare)	Allianz Australia Worker's Compensation (NSW) Limited GIO General Limited Employers Mutual NSW limited
QLD	WorkCover Queensland
NT	Allianz Australia Ltd GIO General Ltd Insurance Australia Limited T/A CGU Workers' Compensation QBE Workers Compensation Territory Insurance Office (TIO)

> Insurance – Public Liability / Household / Car

There are other insurances you may have in place such as Comprehensive Car Insurance, Life Insurance, Health Insurance, Home and/or Contents Insurance, and Public Liability insurance. You may wish to review these insurances if you have them in place, or consider putting these in place.

If you already have car insurance, call your insurer and ask them whether your insurance policy will cover your support worker driving your car or whether it covers drivers under 25 years old, as some insurance policies specify that someone under 25 years old can't drive your car. Keep a record of the date you called your insurance to ask all these questions, as evidence in case you need it at a later date.

Public Liability Insurance for incidents caused by your employee outside of your home may not be covered under any pre-existing policy. It is suggested that when you take out your insurance, you request a package that includes public liability and workers compensation insurance (see below Workers Compensation and Return to Work Information section for more details) from your insurance broker or insurance company.

> What payroll system will you use?

There are a few items to consider prior to deciding. At present, employers with a withholding payer number (WPN) are exempt from processing payroll through Single Touch Payroll (STP) reporting for the 2018–19, 2019–20 and 2020–21 financial years. However, you will need to start reporting these payments through STP from 1 July 2021. Single Touch Payroll (STP) is a new way of reporting tax and superannuation information to the ATO. Self-managers employing with an ABN need to use STP.

Using STP-enabled software you'll send your employees' salary and wage, tax withheld and super information to the ATO each time you pay your employees.

This means:

- you'll report to the ATO each time you pay your employees
- you'll report superannuation information to the ATO
- you won't need to give your employees a payment summary for the information you've already reported and finalised through STP.

If you have 1–4 employees, you can report using a no-cost or low-cost STP solution. See [Software solutions for Single Touch Payroll](#) for a list of providers. When selecting a tool, ensure it works whether you have an ABN or a WPN. Sometimes if you have a WPN only, you may need a system that has Sending Service Providers (SSP) as well, so your data can be sent to the ATO. [Single Touch Lite](#) is a suggested system.

> Preparing the induction pack for my new employee

On your employee's first day, you want them to feel welcome. The best way to do this is to take time to cover off on anything and everything you think they need to know to perform their role well. You also need to gather all the details you need in order to pay them. Suggested items to cover off on are included in the Induction Checklist (Appendix 13). Ensure you have copies of all forms for them on their first day. These are:

- **Tax Declaration Form** (Appendix 14)

Each household employee should complete a Tax File Number Declaration Form (Appendix 14). This form will give you information to help you work out how much to withhold from your employees' payments.

An employee may also complete a *Withholding declaration* to tell you what adjustments to make to the standard amount of tax you withhold from their payment.

Next steps:

- Tax file number declarations
- Withholding declarations

You need to lodge TFN declarations with the ATO within 14 days after the form is either signed by the payee or completed by you (if not provided by the payee). You need to complete section B. Don't forget that you need to retain a copy of the form for your records. This can be submitted electronically or by paper via mail.

- **Superannuation Standard Choice Form** (Appendix 12)

- **Fair Work Information Statement** (Appendix 15)

All new employee's are to receive a copy of this when they commence employment

- **Employee Bank Details Form** (Appendix 16)

- **Timesheets** (Appendix 17) – explain how you would like this to be used. It is a good record of the hours the employee works so you know how much to pay them.

> Preparing to run your first payroll

How often do I need to pay my employee?

Each award advises how often you should pay your employees. e.g. the [Social, Community, Home Care and Disability Services Industry Award 2010](#). says that wages are to be paid weekly or fortnightly by cash, cheque or electronic funds transfer into the bank or financial institution account nominated by the employee

How to calculate how much tax to withhold

To work out the correct tax amount to withhold from payments you make to employees, use the information employees have given you in their tax file declaration form and withholding declaration form (if applicable). The use the [Tax withheld calculator](#) to help determine the exact amount.

How to pay your tax

Having registered for WPN, a Business Activity Statement (BAS) will automatically be sent to you on a quarterly basis. You record the gross wages you have paid and the tax you have withheld on this form. You then [pay the withholding tax by one of the methods indicated on the BAS](#). These include paying by BPAY, credit or debit card, paying online or over the phone. Due dates are:

- 28 October
- 28 January
- 28 April
- 28 July

Paying superannuation

- If you need to pay super, you need to pay before the due dates. The due dates come every 3 months, unless your employee's fund requires you to pay monthly. The quarterly dates are:
 - 28 October
 - 28 January
 - 28 April
 - 28 July
- The amount of superannuation you pay is 9.5% on top of wages paid, if the employee has earned \$450.00 per month or more. See the section "Do I need to pay superannuation" for further information.
- See the above section for how to report and pay superannuation

Pay slip

A pay slip (Appendix 18) must be provided to your employees after each pay run. Your payroll system will automatically generate this

Payment Summary

A payment summary is available for your employee to access via their MyGov account. This details their earnings, tax paid and superannuation paid for the past financial year. They will need this to complete their tax return each year. You do not need to provide them with a copy.

Payroll Records

You need to keep the paperwork for your employee for 7 years for tax purposes, this includes past employees. The type of information you should keep is outlined by the Fair Work Ombudsman in the section [record keeping](#). Completing and keeping all documents recommended in this guide will assist in meeting your record keeping requirements.

3

Your employee starts – induction and training

Today is the day your employee starts. Make sure you have the Induction Checklist (Appendix 13) handy. Take the time to step through this with your new starter to ensure you have everything you need to pay them, and to ensure they know as much as possible about their role. There are suggested training programs and documents for them to complete, so encourage them to do this, and give them the time to complete. Create an employee personnel file – which may be a manila folder so you can keep all forms together. This should be placed in a secure location so no one else can access. Remember, you need to keep all paperwork for 7 years for tax purposes.

Once you have gone through the induction checklist, you should take your new employee through the position description (Appendix 2,3) or a daily duties checklist (Appendix 19) so the employee knows exactly what you would like them to do. Some duties may be daily, some may be weekly and some may be ad hoc. The more detail you go through and the more you share how you like tasks done, the more likely you will be happy with the employee's performance.

Health and Safety are extremely important, and it is your responsibility to ensure the work environment for your employee is free of hazards and risks to health. The Home Safety Checklist (Appendix 20) will prompt you to train your employee in what to do and how to work in a safe way. You may need to modify this checklist if you have specific equipment, tools or tasks required to be completed that are not included in the checklist. You can also go through this checklist with your employee, use it as a tool to prompt you to discuss and train your employee in all areas of safety.

Once you have completed going through the checklists, ticked off that you have discussed with the employee, and both of you have signed the checklists, it is important to keep these checklists as record that you have trained your employee. These should be filed in the employee's personnel file, along with their tax form, banking details form etc.

4

Retaining your employee

Recruiting and training employees is time consuming. Once you find a good employee, you want to do your best to keep them. Here are some ideas to do this.

Create a communication plan – share with the employee how you like to work, how you like to communicate. Ask your employee to do the same. The more you understand each other, the better you will work together. Share how your employee will help you achieve what you want to achieve.

Check in conversations – allocate time every few months to have check in conversations (Appendix 21). The idea is to take 30 minutes every few months to provide feedback, receive feedback, provide thanks and appreciation.

Your employee may be on a probationary period which provides you, the employer, with the opportunity to assess if the employee is suitable for the role. This period ranges from a few weeks to a few months at the start of employment. This is normally detailed in the employment contract. You should encourage, train and support your employee so they successfully progress through the probationary period.

You can take your approach one step further and complete a *performance review* (Appendix 22) once a year. During the performance review process, you review the position description and the employee's performance against the position description. Instructions on how to best complete this process are provided on the performance review form (Appendix 22). At the same time, it is a great opportunity to update the position description if you need to, and reissue a copy to your employee, as some tasks may have changed.

5

Wage/Salary reviews

An employee's salary or wage should be reviewed at the beginning of each financial year, as wage rates are adjusted 1 July each year. Around this time, the Fair Work Ombudsman releases updated pay guides, such as current [Social, Community, Home Care and Disability Services Industry Award Pay Guide](#), so it is important to check the Fair Work website and review your employees pay rates to ensure you are at least paying the minimum wage.

If you are paying your employee a salary, you need to ensure you are meeting the Annualised salary arrangements should this be part of the modern award your employee is associated with.

If your employee is casual, ensure you are abiding by the casual conversion clause should this be part of the modern award your employee is associated with.

6

Performance management

There may be a time when you need to manage your employee who is under performing. This means they are not performing to the standard you agreed or not completing the tasks required of them in their position description or daily duties checklist. The Fair Work Ombudsman has excellent [templates and resources](#) you can use to help have the right conversations with your employee, and try and help the employee improve their work performance again.

7

Termination of employment

Like all workplaces, you may have employees that come and go. Should your employee resign, ask them to confirm their resignation in writing. The notice they are required to give (this is the amount of time they need to work before their last day) will be in their letter of engagement.

Termination for poor performance

It is unlikely; however, you may need to terminate an employee's employment due to poor performance or serious misconduct. Should this occur, again, the Fair Work Ombudsman provides excellent advice and resources to assist you in managing underperformance and terminating if you feel you have no other option. Their best practice guide is a good place to start exploring how to manage this situation.

Employee Exit Checklist

On the employee's last day, use the Employee Exit Checklist (Appendix 23), to ensure you have actioned everything you are required to do and the employee has handed back all property they will no longer need (keys, etc.) Pay them their final pay including any accrued leave and provide their final pay slip.

8

Keeping your knowledge current

Laws within Australia that govern how we manage our employees change. It is recommended you subscribe to the following sites to receive notifications of changes that may require you to change what you pay your employees.

- Register to receive updates from the [ATO](#) on matters such as taxation, superannuation, BAS
- Register to receive updates from the [Fair Work Ombudsman](#) to gain updates on pay, conditions etc.
- Your payroll system
- Your workers compensation insurer if you are using one
- Your states worker safety regulator e.g. WorkSafe in Victoria
- Your employee's superannuation fund

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