



“EMPLOYING STAFF”

WHAT DO I NEED TO DO WHEN EMPLOYING A STAFF MEMBER?

- Register for PAYG withholding with the ATO.
- If you are a new business and completing an ABN or GST application, you can register for PAYG withholding at the same time.
- Have staff member complete a TFN declaration and Superannuation Standard Choice form.
- Ensure you register for Workcover or update your policy on the level of remuneration.
- Collect staff member’s bank account details for payment of wages.
- Have staff member complete an employee’s personal data record.

REPORTING WAGES & PAYG WITHHOLDING

As an employer you are responsible for reporting the amount of wages and tax withheld for all employees to the Australian Taxation Office through an approved software program.

- The amount of tax withheld, is then reported and paid to the tax office on a monthly or quarterly basis, depending on the level of PAYG withholding. This is generally completed with your BAS returns.

WHAT IS A TFN DECLARATION?

- A TFN declaration is given to the employee to complete and provides the employer with all the details they require to fulfil their reporting obligations. The declaration includes:
 - Name & Address details
 - Tax File Number
 - Whether the employee has a HECS/HELP debt
 - Whether they are claiming the tax-free threshold i.e. tax-free threshold has not been claimed on a second job.

HOW DO I CALCULATE HOW MUCH TAX TO WITHHOLD?

The Australian Taxation Office have published tax tables to assist employers determine how much tax needs to be withheld from employees wages each period. Visit: <http://www.ato.gov.au/Rates/Tax-tables/>

- There are various tax tables which are published based on whether your pay periods are weekly, fortnightly or monthly.
- To determine the tax, you first work out the gross pay (hours x pay rate) and find the corresponding amount on the tax table.
You will need to consider whether your employee is claiming the tax-free threshold or not, and whether the employee has a HECS/HELP debt, as there are varying tax amounts based on these factors.

WHAT IS A SUPERANNUATION STANDARD CHOICE FORM?

- Employees have the choice of nominating a superannuation fund into which compulsory contributions are to be paid into. If they do not nominate a fund it is your obligation to pay contributions into your employer default fund. This choice is made by completing a Superannuation Standard Choice form.

WHAT ARE MY SUPERANNUATION OBLIGATIONS?

- Employers are required to pay Superannuation Guarantee Contributions (SGC) of 9.5% for any employees who earn more than \$450 in a calendar month. If an employee is under 18 years of age contributions are made at your discretion.
- This superannuation obligation is to be paid each quarter and is to be received by your nominated superannuation clearing house by the 28th of the month following the end of the quarter.
- For example, if an employee earns \$1,000 gross income per month for the April to June quarter, the employer is required to pay \$285.00 ($\$1,000 \times 3 \times 9.5\%$) to the superannuation fund by the 28th July.

WHAT RECORDS DO I NEED TO KEEP?

- Employees should complete timesheets or records of their hours. These can be kept electronically or on paper. These records are required to be produced when requested that payments have been made correctly.
- You need to hold Employee's Personal Records detailing the staff members full name, address, phone numbers, emergency contact information, and all the details received from the completed PAYG and Superannuation fund forms.

DO I NEED TO PROVIDE PAY SLIPS TO EMPLOYEES?

- Employees should complete timesheets or records of their hours. These can be kept electronically or on paper, these records are required to be produced when requested that payments have been made correctly.
- You need to hold Employee's Personal Records detailing the staff members full name, address, phone numbers, emergency contact information, and all the details received from the completed PAYG and Superannuation fund forms.

WHAT HAPPENS AT THE EOFY?

- At the end of each financial year, employers are required to reconcile and finalise their payroll information by 31st July. This information is then reported to the ATO.

FOR MORE INFORMATION

Visit the ATO website: <https://www.ato.gov.au/>
Or phone 13 28 66 from Monday-Friday 8:00am-6:00pm
Or Contact [Sheridan Partners](#) on 1300 896 574

Disclaimer - this information is of a general nature and does not constitute personal advice.
You should not act solely on the material contained in this guide without consultation with your business advisers.

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