

Becoming An Employer?

Tax File number Declaration

All employees must complete a Tax File number Declaration when they start a new job. The declaration contains the information you need to calculate how much tax to withhold from the employees wage.

Once completed, the original copy must be sent to the ATO, with the Duplicate Copy being kept for your records.

Handy hint: Ask the employee for their superannuation fund details when they are completing the declaration. This will help you when it comes to paying your employee's superannuation in the coming months.

Workcover

If you are employing staff, you need to register with Worksafe Victoria. You are not legally required to register if the annual wages are less than \$7500, however it is free to register and means you are covered in the event that your wages are higher than expected.

It is important to note you are not personally covered by Workcover if you are a sole trader or partner in a partnership. You should consider some form of Income Protection Insurance for yourself instead.

Remitting PAYG Withheld

The tax that is withheld from your employee's wages needs to be paid to the ATO either monthly or quarterly, depending on the period chosen.

It is reported and paid as part of your BAS if you are registered for GST, or on an Instalment Activity Statement if you are not.

Need help or want to know more?

If you would like help with the necessary registrations, or would like to know more about becoming an employer, please contact our office on 5143 0041.

Registering to be an employer

If you intend to employ staff, you will need to register with the ATO. This can be done as part of your ABN application, or later when needed.

This will ensure the ATO will send you the required forms for lodgement, and enable you to complete them on time.

Withholding the correct tax amount

Knowing how much tax to withhold as an employer is very important. If you do not withhold enough, your employee may end up paying tax at the end of the year.

Always make sure you have the current tax rates from the ATO, and are applying them correctly according to the TFN Declaration completed by your employee.

Annual PAYG Summary Statements

The annual statements need to be completed and provided to your employees by the 14th of July each year, and sent to the ATO by the 14th of August.

Superannuation

Superannuation is calculated as 9.25% of the gross wages for your employees.

This needs to be paid to the employee's superannuation fund within 28 days of the end of each quarter (i.e 28 September, 28 January, 28 April, 28 July).