

# Guide for Employing Staff



# What You Need to Know Before Hiring Your First Employee

Becoming an employer is a tremendous responsibility. Not only are your employees reliant on you for their income and professional growth, but you also have a legal responsibility to ensure they are eligible to work for you and you must demonstrate that you are compliant with employment legislation. This checklist will guide you through the steps of hiring your first employee. At the start you need to ensure you (the unit now as a business) are registered for employer taxes and you are up to date with employer and workplace responsibilities. Then once you have hired employees, you will need to operate a payroll system. This will take you through initial steps you need to know in between deciding if you want to employ staff.

As a business owner, which you will now be recognised as, you are considered an employer once you have registered for employer's PAYE tax. There are rules and regulations around being an employer and it is important that you are aware of your responsibilities before you hire any staff.

# 1. Consider what type of employee you need to hire

Think about the type of work you would like your employee to do. Does this person need to be qualified and trained or can they receive training on the job? Write a list of requirements for the role and determine the type of person you need to fulfil these duties. You can hire an intern, work experience or work trial placement, full, part-time or casual employee. There are many different options for hiring staff depending on the amount and complexity of work plus funding available. Prior to any commitment to advertise for a staff member ensure you have detailed plan of funding available and stability on it for the future. Remember to consider other expenses for set up etc. and not just salary or wage. Perhaps start by paying an hourly wage rather than a contractual yearly salary. As you're new to hiring and managing staff, you'll need to get to grips with how many hours you'll actually need them for.

# 2. Register for the correct employers' taxes

You need to register for employer's taxes before you employ staff. Both Sole Traders and Limited Companies can be employers and operate payroll to pay your staff. Employers need to register for Pay As You Earn (PAYE) using Revenue's online eRegistration facility or you can outsource tax registration and payroll to a professional. There is a sports body tax exemption with further details at <a href="https://www.revenue.ie/en/companies-and-charities/charities-and-sports-bodies/sports-bodies-tax-exemption/index.aspx">https://www.revenue.ie/en/companies-and-charities/charities-and-sports-bodies/sports-bodies-tax-exemption/index.aspx</a> but If your sports unit has employees, you will have to pay Income Tax under the <a href="Pay As You Earn">Pay As You Earn</a> (PAYE) system. As an employer, you are obliged to keep a record of every employee employed during the tax year, including their name, address, PPS number and the dates of their employment.

## 3. Understand employer and workplace rules

Before you decide who you want to employ, you need to understand the legal obligations you have as an employer. For example, if you consider hiring an intern, work experience or work trial placement, you are still legally required to pay them the national minimum hourly rate of pay. Exceptions to this include hiring family relatives, work experience schemes and registered industrial apprenticeships.

You should also consider the hours your employee works and the breaks to which they are entitled. The Workplace Relations Commission (WRC) is a great resource for more information on employer obligations in Ireland.

# 4. Do you need employers' liability insurance?

Employers' liability insurance is not a legal requirement in Ireland, but as an employer, you are responsible for the health and safety of your employees. When you're hiring employees, you should consider the risk involved with your work or workplace. This insurance helps you meet the compensation if an employee makes a claim whilst working for you.

# 5. Research grants before hiring employees

There may be grants available through local councils for example for employing staff so it is important to research this prior to making any decisions.

## 6. Develop employer contracts and employee procedures

When you are hiring an employee, think about developing clear processes to help you hire and train your new employee. For example, start with an interviewing procedure so you can ensure all the candidates are treated the same. Further detail on this will follow in points below. Once you've chosen a successful candidate, create an induction and training and development process so you can integrate your new employee quickly and easily. It is important to link with the LGFA National Development manager to assist with induction for development personnel or the LGFA Operations and Planning manager for the induction of administration personnel. If your employees are working for a regular wage or salary, they automatically have a contract of employment. The full contract of employment does not have to be put in writing. However, your employee must receive a written statement of 5 core terms of employment within the first 5 days of starting a job. These core terms are:

- The full names of the employer and employee
- The address of the employer
- The place of work, or where there is no fixed or main place of work, a statement stating that there are various places or you are free to set your own place of work or to work at various places
- The date the employment started
- The job title, grade or nature of the work (such as a brief job description)
- The expected duration of the contract (where the contract is temporary or fixed term)

- The salary and the rate or method of calculating pay and the pay reference period for the purposes of the National Minimum Wage Act 2000 (a week, a fortnight or a month)
- What you reasonably expect the normal length of the employee's working day and week to be, in a normal working day and in a normal working week
- The duration and conditions relating to the probation period (if there is one)
- Any terms or conditions relating to hours of work, including overtime

You must provide the employee with a statement of the remaining terms within 1 month of their starting work. You can get details in the document <u>Contract of employment</u>.

A few other things to consider including in your employment contract are:

- Pension and healthcare arrangements
- Holiday and sickness entitlement
- Disciplinary & Grievance processes, employers must have written grievance and disciplinary procedures and these should be provided at the start of employment.

# 7. Outsource payroll processing

Hiring your first employee means you need to pay them a salary. All payments to an employee needs to be reported to Revenue on or before the employee is paid. You need certain employee personal information, complete records of working hours and ensure the correct taxes are paid to Revenue. If you're unsure about payroll processing, you can outsource this task to a professional.

### 8. Advertise the Role

Choosing the wording and platform to advertise your position can be just as important as the person you want. Ensure your job description is as detailed as possible so candidates know exactly what they are applying for. Be careful not to use unbiased language and don't discriminate on the grounds of gender, age, race, disability, sexual orientation, religion, civil status (married, single, in a civil partnership, etc.), family status and membership of the Traveller community. This includes using descriptors like "young", "mature", and "salesman" amongst others. Using adjectives like this can result in costly legal action by candidates who may feel singled out by your poor choice of terminology. Think carefully about your wording and use neutral terms like "experienced" or "salesperson" instead. You should take some time to compile a list of the skills you're looking for in your first employee, breaking down what you're looking for into hard and soft skills.

Hard skills: these are skills candidates need to have in order for you to consider them for the job. They are usually industry-specific and labelled as must-haves in your job advert. E.g. customer service experience, use of IT, etc.

Soft skills: these are more self-taught personal skills, that are not obligatory but would be preferable to have. E.g. time management, communication, etc.

Also be clear with where the person will be based for their workplace.

### 9. Shortlist and Interview

After the deadline date the selection panel should shortlist candidates for interview. Ensure there is clear criteria for shortlist and that candidates have the essential criteria you advertised. Contact possible interviews with details for interview. Confirm the structure of the interview and the questions to be asked so each candidate goes through the same process and questions.

### 10. Complete background check and offer position

It is a criminal offence to employ someone who requires a work permit to work in Ireland and doesn't have one. You could face a fine of up to €50,000 and a potential prison term of up to five years, so due diligence at this stage cannot be over emphasised. Make sure you check original documents and if unsure, consult the Department of Jobs, Enterprise and Innovation to verify the various right-to-work permits issued to foreign workers. Under the Terms of Employment (Information) Acts 1994 and 2001, an employer is legally obliged to issue their employees with a written statement of their key requirements within the first two months of their employment. Not only does this protect both you and your employee, but it also ensures you both have a clear understanding of what is expected during the term of employment.

### 11. Onboard your employee

Once all the legal and compliance stuff is out of the way, you need to start thinking about on boarding your new joiner. This might seem like something only larger, more established companies should be concerned with but getting this right in the first instance will help to create a great first impression for your new employee. First day nerves can be eased by sending a friendly email a few days before the start date, with details of your unit, core values and details around what your new employee should expect during their first day, week and month. On their first day, give them a document with relevant links, contact details, etc. and have an open discussion about the role and responsibilities. There should be a clear job description. It is important to remember that onboarding is not a one-day activity. There should be a clearly outlined 30/60/90 plan, and expectations or objectives should be discussed with the employee early on to identify any potential roadblocks. Regular check-ins and progress checks should be maintained throughout this stage. A carefully crafted onboarding plan is the perfect opportunity to make a lasting positive impression on your new staff member.

### 12. Think about the future

Hiring is just investing in people. Stay open-minded and mindful of possibilities. You want any new employee to be a long-standing member of the team and go on to progress. Remember this is their income so designate their manager within the unit so clear line of management and not multiple people trying to manage. A good experience for this person can lead to keeping them and attracting new staff for the future. Ensuring that your employees are paid on time, and know when that time is, is also important. Any missed

paydays, even if only by a few days, are never a good thing and will immediately reflect badly on you and your business. Perhaps most importantly, you should get to know Irish Employment Law so that you're familiar with:

- Minimum wage
- Annual, sickness, and maternity/paternity leave obligations
- Minimum allowed holidays
- Maximum allowed working hours

Learning how to hire your first employee is exciting, as it shows that all the time and effort you've dedicated to getting the sport off the ground has finally paid off but it is essential that you take the time to complete all steps correctly.