



Worksheet 086 – Phase 4: Hiring new employees

Congratulations! You've made it to an exciting new part of your business life. You've grown to the point that you need to bring on some help

But hiring workers is not as straight-forward as it sounds.

Too often new business owners rush into hiring workers without working out the details first.

That can create big headaches down the road.

You want to make sure you do this right!



Employees vs. Contractors

This is an important distinction you need to understand before you hire additional help.

An employee will usually work exclusively for you. They don't need to provide their own tools.

A contractor works for themselves and are expected to bring their own tools of the trade.

You will be able to exert a much higher degree of control over an employee, a contractor less so.

An employee is also not liable for the work they perform - you are.

You are responsible for deducting tax and super annuation from paycheques of employees but not for contractors.



Write down what kind of worker is best for your business. Do you need an employee or a contractor?



You need to an employment agreement and a policy

There is a myth that employment agreements are worthless.

That's not true.

As long as the agreement has been properly written they are extremely useful for business owners.

They need to be a backstop for a number of eventualities.

Putting the agreements in early will save you a lot of headaches in the future.

You also need detailed documentation that details the process of the business.

These tie in with the employment agreement.

The employer should be expected to conform to the policies laid out.

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**Sketch out the kind of workplace you want to create.
Describe what you expect of your new employees.**

BusinessLegal : Lifecycle

Learn more by ordering the book

Whether you want to have a large company or a small lifestyle business, you must pay attention to the legal aspects right from the start.

The Business Legal Lifecycle is a handbook for you to use in your business on a regular basis.

The key areas that Jeremy Streten covers in the Business Legal Lifecycle are:

How to successfully set up your business

Why and when you need to pay attention to the legal aspects of your business

Who you should consult with along your business journey



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