SIMPLE STEPS TO HIRING YOUR FIRST EMPLOYEE
WHAT YOU’LL LEARN TODAY

Things to Consider Before You Hire

The Hiring Process

Ongoing HR Responsibilities
THINGS TO CONSIDER BEFORE YOU HIRE

Make sure you’re ready
Know your legal obligations
Define the role and pay range
THINGS TO CONSIDER BEFORE YOU HIRE

MAKE SURE YOU’RE READY

Can I afford to hire right now?

Is there enough steady work to support an employee?

Do I have the cashflow to support an employee?
MAKE SURE YOU’RE READY

Am I turning down work because I don’t have the time?

Am I missing deadlines because I’m so busy?

Are additional skills needed to run or grow my business?

Are you equipped with communication and management skills?
If the answer to these questions is **YES**…

It’s time to hire!
KNOW YOUR LEGAL OBLIGATIONS

Federal Employment Laws
THINGS TO CONSIDER BEFORE YOU HIRE

THREE CATEGORIES OF EMPLOYMENT LAWS

Time & Pay

Discrimination

Safety
TIME AND PAY – Minimum Wage

**Fair Labor Standards Act (FLSA)**
regulates minimum wage, overtime, recordkeeping and employing minors

Sets federal minimum wage at $7.25/hour

State and cities/counties can also have their own minimum wages. Check out ComplyRight’s Minimum Wage Monitor at http://www.complyright.com/resources/minimum-wage-legislation-monitor.

You must pay the higher amount and display both state and federal minimum wage postings
THINGS TO CONSIDER BEFORE YOU HIRE

TIME AND PAY – Overtime Pay

NON-EXEMPT (“hourly”) employees who work more than 40 hours in a workweek must receive overtime pay.

Overtime pay must be at least 1.5 TIMES REGULAR PAY for the additional hours.
Employee time ("hourly") must be accurately tracked and pay records maintained.

Options include paper time sheets, software or a Web-based solution.

Recordkeeping Rules (FLSA)
TIME AND PAY – Overtime Pay

FLSA includes detailed laws regarding employing minors

State-specific child labor laws

Child Labor Rules
THINGS TO CONSIDER BEFORE YOU HIRE

DISCRIMINATION LAWS

Prohibit employment discrimination in job ads, hiring, compensation, etc.

Title VII of the Civil Rights Act of 1964
Prohibits discrimination based on race, color, religion, gender or national origin

Age Discrimination in Employment Act (ADEA)
Prohibits discrimination against people age 40 or older
THINGS TO CONSIDER BEFORE YOU HIRE

DISCRIMINATION LAWS

Pregnancy Discrimination Act (PDA) ➔ 15+ employees
Prohibits discrimination based on pregnancy, childbirth or related conditions

Americans with Disabilities Act (ADA) ➔ 15+ employees
Prohibits discrimination against people with disabilities

Equal Pay Act ➔ All employers regardless of size
Prohibits discrimination based on gender
OSHA SAFETY REGULATIONS

**Employer Obligations**

- Maintain safe walking and working surfaces
- Have plans for fire prevention and other emergencies, including exit routes
- Have medical/first-aid supplies on hand
- Alert employees of hazardous chemicals in the workplace
- Record work-related accidents and illnesses
- Other requirements vary by industry (training, safety equipment, etc.)
STATE EMPLOYMENT LAWS.

Check out ComplyRight’s resource at: www.complyright.com/state-links

- Discrimination laws
- Unemployment taxes
- Workers compensation insurance
- Disability insurance
- Local regulations
Define the Role & Pay Range
THE JOB DESCRIPTION

Specific responsibilities

Day-to-day tasks

Any required skills or work experience

Desirable traits

Work hours

Part-time or full-time
Establishing the Pay Range

- Research pay range at salary.com and indeed.com
- Consult with other business owners
- Check with industry trade associations
- Review cost of living in your area
THINGS TO CONSIDER BEFORE YOU HIRE

HOURLY OR SALARY?

Most exempt employees are:
- EXECUTIVES
- ADMINISTRATIVE
- PROFESSIONAL
- OUTSIDE/COMMISSIONED SALES PEOPLE

Misclassifying workers is common when in doubt, go hourly.

If you think an employee is misclassifies as salaried:
- Consult an employment law attorney to determine whether you can change the classification OR
- Alter the responsibilities to make the classification accurate
BENEFITS help attract and retain quality employees.

- Paid time-off
- Flexible hours or ability to work from home
- Life insurance

Weigh the costs of offering benefits and make sure they comply with federal regulations.
SECTION WRAP-UP

THINGS TO CONSIDER BEFORE YOU HIRE

QUESTIONS?

- Make sure you’re ready
- Know your legal obligations
- Define the role and pay range
THE HIRING PROCESS

- Recruiting Candidates
- Screening Candidates
- Making the Job Offer
RECRUITING CANDIDATES

Post the ad on job-search websites (ex. Monster, Indeed, Career Builder)

Tell your friends and family about the ad, but resist the temptation to hire unqualified family or friends

Post on social media (ex. Facebook, LinkedIn)

Take your time and **DO NOT** settle for a mediocre candidate.
SCREENING CANDIDATES

Review resumes and cover letters against your job description.

Have qualified candidates complete a job application:

- What you may and may not legally ask varies by state
- Increasing number of states are banning questions about criminal history (‘ban the box’) and salary history

Conduct a remote interview.
CONDUCTING THE INTERVIEW

- Reviewing resumes and plan questions in advance
- Ask all candidates the same general questions, for insistency
- Ask open-ended instead of “yes or no” questions
- LISTEN – the candidate should do most of the talking
- Know what questions are illegal for you to ask
# THE HIRING PROCESS

## OFF-LIMIT QUESTIONS

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>How old are you?</td>
<td>Are you pregnant or planning to get pregnant?</td>
</tr>
<tr>
<td>What year were you born?</td>
<td>Do you have disabilities?</td>
</tr>
<tr>
<td>Are you a U.S. citizen?</td>
<td>Are you in good health?</td>
</tr>
<tr>
<td>Are you married?</td>
<td>What ethnicity are you?</td>
</tr>
<tr>
<td>Do you have children?</td>
<td>What country are you from?</td>
</tr>
</tbody>
</table>

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EMPLOYMENT TESTING

Assess candidates **OBJECTIVELY** based on skills and aptitudes.

Ensure you hire the **RIGHT** employee for your business.

All candidates for the same position should be given the **SAME TESTS** to avoid discrimination claims.
REFERENCES

1. **ASK** for three references, preferably from former employers

2. **REQUEST** permission to contact references on your job application

3. **CALL** each reference to confirm application/resume details

4. **ASK** about job duties, history and performance
Should you conduct a BACKGROUND CHECK?
MAKING THE OFFER

LIST

Salary or hourly wage | Start date | Benefits

CREATE

Offer Letter

- A job description, including job title, duties and responsibilities
- Required hours or schedule
- Starting date
- Salary/wages and benefits
- Include additional requirements if needed (i.e. drug and alcohol test)
- Next steps for accepting the job offer
SECTION WRAP-UP

THE HIRING PROCESS

QUESTIONS?

Recruiting Candidates  Screening Candidates  Making the Job Offer

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ONGOING HR RESPONSIBILITIES

- Completing the required paperwork
- Setting up payroll
- Reporting and registering your employee
- Ongoing HR responsibilities
The Onboarding Process…

Start Off Right!
FORM I-9

Employee must complete I-9 within three days of hiring.

Form asks employers to examine employee’s documents to confirm eligibility to work in the United States.

You can be fined for omissions or incorrect information – a completion template can help.
Employees must complete **IRS Form W-4** (Withholding Allowance Certificate)

- Defines the **number of allowances** employee want to claim, which affects how much you will withhold from their paychecks
PAYROLL AND TAX WITHHOLDING

You must withhold part of each employee’s wages for taxes and pay the taxes to the appropriate authority. (a payroll service can help)

FEDERAL INCOME TAX

SOCIAL SECURITY AND MEDICARE TAX
STATE OBLIGATIONS

Report new hires to the state within 20 days of hiring
Office of Child Support Enforcement

Register your business to pay re-employment (unemployment) taxes
https://business.usa.gov/state-taxes-and-regulations
ONGOING HR RESPONSIBILITIES

FILE REQUIRED IRS FORMS

- IRS 941: Quarterly
- IRS 940: Annually
- W-2: Annually
Labor Law Posting Regulations
FEDERAL POSTINGS

Mandatory Federal Postings for all U.S. Employers

- Equal Employment Opportunity (EEOC)
- Minimum Wage (FLSA)
- Family and Medical Leave (FMLA)
- Military Rights (USERRA)
- Workplace Safety (OSHA)
- Employee Polygraph Protection (EPPA)
ONGOING HR RESPONSIBILITIES

STATE POSTINGS

Common State Postings

- Minimum Wage
- Unemployment Insurance
- Workers’ Compensation
- Fair Employment (English/Spanish)
- Child Labor
Posting Requirements

- Display mandatory labor law postings where employees can easily view them
- Update postings when mandatory changes occur
- Consider a reputable poster service to keep you in full compliance
MAINTAINING EMPLOYEE RECORDS

Organize **3 FILES** for each employee.

<table>
<thead>
<tr>
<th>Personnel File</th>
<th>Payroll File</th>
<th>Medical File</th>
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<td><img src="image1.png" alt="Personnel Icon" /></td>
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SECTION WRAP-UP

ONGOING HR RESPONSIBILITIES

QUESTIONS?

Completing the required paperwork  Setting up payroll  Reporting and registering your employee  Ongoing HR responsibilities
# FINAL OVERVIEW

## Things to Consider Before You Hire

| Know when it is the right time to hire | Understand Employment Law: Time & Pay, Discrimination, OSHA Safety Regulations | Define the role and pay range |

## The Hiring Process

| Recruiting Strategies | Screening Candidates | Making the job offer |

## Ongoing HR Responsibilities

| Initial paperwork and payroll setup | Maintain compliance with federal, state and/or local labor law postings | Maintaining employee records |
FREE RESOURCES
Available at www.complyright.com

- On-demand Webinars
- E-Guides
- Tools & Tips