



February 2011.

Employment Checklist

The following is a brief checklist of the major points, which you as an employer will need to consider.

1. Wages and Conditions of Employment

Many employees will have their minimum wages and conditions covered by an award. For electrical employees, the relevant award is the Electrical, Electronic and Communications Contracting Award (2010). For clerical employees, the relevant award is the Clerks – Private Sector Award 2010. Regular wage rate bulletins for these awards are provided to NECA members. Contact NECA's Employee Relations Department if you require copies of these awards or wage rate bulletins. Alternatively they can be downloaded from our website www.neca.asn.au.

Other employees such as managers and estimators will be award free. This relationship is regulated by an agreement (preferably written) between you and the employee, known as the contract of employment. The contract of employment sets the terms and conditions under which the relationship of employer and employee will be conducted, and creates rights and obligations for both you and the employee.

Enterprise Agreements are another method of regulating wages and conditions for award and non award employees. Contact NECA should you require assistance in this regard.

2. Basis of Employment

Most employees, be they covered by an award or award free, can be employed on a full time, part time or casual basis. However, this must be determined prior to engaging an employee.

Similarly employees can be employed on a fixed task or fixed period basis. However, this can be a complex area and should be in writing. Contact NECA for advice.

3. Apprentices

An employee must be registered as an apprentice in order for them to be paid apprentice rates. The NSW Department of Education and Training requires employers to submit the signed contract within 14 days to establish an apprenticeship.

Contracts of Training can be obtained from your local Australian Apprenticeship Centre. Call the Australian Apprenticeship hotline on 13 38 73 or refer to www.australianapprenticeships.gov.au to find out the location of the Centre nearest to you.

The apprentice must also be enrolled in the relevant TAFE course. The employer is liable for TAFE fees when the apprentice presents satisfactory reports of progress.

4. Hours of Work

You need to determine what the hours you will require your employee to work. Most awards prescribe a 38 hour week. That means that if any award-covered employees work more than 38 hours per week, then they will be entitled to additional payments for overtime.

Where an employee works less than 38 hours, such an employee shall be engaged on a casual or part time basis.

5. Taxation

Every employer who pays salaries and wages to employees must deduct income tax instalments from those salaries and wages and pay them to the Australian Taxation Office (ATO) at regular intervals.

If you are a new employer, you must register with the ATO as a Group Employer, if you have employees from whose salary or wages you have to deduct tax instalments. Details can be found on the ATO's website www.ato.gov.au. The ATO will then notify you of registration and forward you the following documents:

- **Registered Group Number:** Use this on all documents and correspondence relating to group tax matters.
- **PAYG Summaries:** Use these when you send in PAYG payments.
- **Payment Summaries:** For the period ending 30 June.

You need to obtain a Tax File Number Declaration Form from all employees entitled to complete one and forward a copy to the ATO.

You must deduct tax at the rate set out in the relevant scale from employee's salaries and wages paid during each month. Separate scales apply to wages paid on weekly, fortnightly and monthly intervals.

When people start a new job, they should quote their Tax File Number (or show why they are exempt) to each employer. They are not required to quote their Tax File Number but, if they do not, tax is deducted at the top marginal rate.

6. Workers' Compensation

Workers' compensation is a no-fault system which provides payments and other assistance to injured employees and their dependants. As an employer, you must have a current insurance policy from a licensed insurer covering the full amount of your liability under the Act. Your premium is based on what industry you are in, how many people you employ, your claims experience and what your wages bill is. For electrical contractors, the basic rate of premium is around 3 per cent.

7. Superannuation

Employers have obligations under both awards and legislation (the Superannuation Guarantee Charge (SGC)) to make compulsory superannuation contributions on behalf of employees. Currently the superannuation contribution rate is 9% of Ordinary Time Earnings. If you do not provide this minimum level of superannuation support, you must pay a superannuation guarantee levy or fine to the government.

Employers must offer their employees choice of super fund. Further information on meeting your obligations is available from the ATO www.ato.gov.au.

Most awards specify the fund or funds into which an employer's contributions must be paid. For businesses employing electrical workers in NSW, one of the specified fund is the NSW Electrical Superannuation Scheme which is known as NESS. NESS "kits" can be obtained from AAS Pty Ltd, which is the administrator of NESS by phoning 1800 022 067.

8. Portable Long Service Leave

The Building and Construction Industry Long Service Payments Act provides for long service leave in the building and construction industry. Employees registered under this Act become entitled to long service benefits based on their service in the industry, rather than with a particular employer. Employees in the building and construction industry need to register under the Act.

For further information, contact the Building and Construction Industry Long Service Payments Corporation:

T: 13 14 41

F: 02 9287 5685

E: info@lspc.nsw.gov.au

W: www.lspc.nsw.gov.au

9. Further Information

Should you require further information, simply contact NECA's Employee Relations Department on 9744 1099 or 1300 361 099 (STD callers).

Disclaimer

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