



Monthly Information Newsletter – Tax & Super

December 2022

On-boarding employees for the holiday rush

Hiring additional employees to help with surging end-of-year demand? A [New employment form](#), accessed through ATO online services, will help reduce your compliance time.

It's an easy way for your employees to provide you and the ATO with the information that the ATO need. If your new employee has a myGov account linked to the ATO, once signed in they can:

- access ATO online services
- go to the 'Employment' menu
- select 'New employment' and complete the new form.

Your employees will need your ABN to complete the form. When they submit the form, their tax file number (TFN) declaration details are sent straight to the ATO, so you as their employer do not need to do this. The form will then enable them to print and give you the summary of their tax details. You'll need the summary so you can input the data into your system.

The [New employment form](#) can also be used to collect a range of information. For example, employees can use it to authorise variations to the amount you withhold from their pay for tax or the Medicare levy, or to advise you of their choice of super fund. They can also use it to update their tax circumstances with you, for example, if:

- their residency status has changed
- they no longer have a government study and training loan
- they are claiming the tax-free threshold from a different employer.

This is an alternative to your employee completing a [Tax file number declaration](#) and [Superannuation standard choice form](#) to obtain their details.

When your employee completes the online commencement forms, this needs to be done within 28 days of them starting.

Other issues

You'll also need to confirm your new worker is legally allowed to work in Australia. Australian citizens, permanent residents and New Zealand citizens are legally allowed to work here. If you believe the worker is a foreign national (other than a New Zealander), you must confirm they have a visa with permission to work. More information about employing migrant workers is available on the Department of Home Affairs website.

If you're hiring someone on a working holiday visa (subclass 417 or 462), you must also register as an employer of working holiday makers. You need to do this before paying them.

If your business has a contract with a labour-hire firm, then they're responsible for pay as you go (PAYG) withholding, super guarantee and fringe benefits tax obligations. Regardless of how the activity is described, if a labour-hire firm supplies workers to your business, they must withhold from payments to individual workers.

To be clear, it is the labour-hire firm that needs to withhold tax from individual workers under a labour-hire arrangement whether they are an employee or independent contractor.

As your tax practitioner we can help you with the tax and super issues surrounding putting on a new worker, including determining if they are an employee or contractor.

DISCLAIMER

All information provided in this article is of a general nature only and is not personal financial or investment advice. Also, changes in legislation may occur frequently. We recommend that our formal advice be obtained before acting on the basis of this information.

Our liability may be limited by a scheme approved under Professional Standards Legislation.