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All On-Board! Employer To-Dos for Growing Your Team

DISCLAIMER: This outline is a general guide. Be sure to contact an attorney if you have questions or specific issues that need to be addressed.

You've made it to a point in your business that you're ready to hire some help. This can be simultaneously exciting and a bit nerve-wracking! This checklist contains a few things you'll want to understand before casting that hiring net. Each of these considerations is only the tip of the iceberg when it comes to hiring staff and only meant to provide some key points. We recommend meeting with an attorney early on in this process to ensure you're in compliance where you need to be so that once you do find your perfect team members, you'll be ready to onboard them for long-term success. And remember to be aware of both federal and state laws!

☐ File the proper employment paperwork.

When you're becoming responsible for an employee, there are some important government filings you'll need to submit to make sure workers are accounted for. There are a few registrations you have to file, including, for example, a new hire reporting form for each new employee, whether part-time, full-time, or salaried, to the Pennsylvania Department of Labor and Industry. Read more about this in <u>our blogpost</u> that covers more of this information and further requirements.

Additionally, we recommend working with an accountant to help you fill out and submit all of the required tax and withholding paperwork for your employees, such as federal, state, and local income tax withholding, social security and Medicare, and unemployment insurance, among others. For federal compliance you also have to make sure you have your employees fill out a form W-4 and I-9.

☐ Understand your legal obligations as an employer to create a safe work environment.

You are required as an employer to understand the rights of your employees and your legal duties to them so you will want to make sure you're aware of these obligations before bringing on staff. This includes your duties to create a safe work environment, free from harassment and discrimination. Under the Pennsylvania Human Relations Act, employers with four or more employees are prohibited from discriminating during hiring, promoting, terminating, and more on the basis of "race, color, religious creed, ancestry, age, sex, national origin or non-job related handicap or disability or the use of a guide or support animal because of the blindness,

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deafness or physical handicap of any individual or independent contractor." The Federal regulation (Title VII of the Civil Rights Act of 1964) applies to employers with more than 15 employees, and it is largely echoed by the PA regulation.

You should also understand your legal obligations to create an environment that adheres to all of the state and local standards for worker safety. What is required of you depends on the size of your business, the industry you operate, and the risk involved. Employers are subject to the requirements of the United States Department of Labor Occupational Safety and Health Administration (OSHA). It is recommended that you review the OSHA laws and requirements via this guidebook put out by the US Department of Labor, which also contains links to further information. You will also be required to put up specific signage depending on your industry, and obtain worker's compensation insurance no matter how large of an employer you are. An attorney can help you determine what specifically you need for your industry and workplace.

☐ Understand your legal obligations for paying your employees correctly.

There are many ways to pay your employees. In addition to deciding how much you want to compensate them, make sure you understand *how* to compensate them in compliance with the law. You will want to make sure you have an understanding of Federal and State <u>minimum</u> wage requirements, how and when you have to pay employees, various <u>overtime laws and regulations</u>, when they apply, and what is required of you to make sure you're in compliance. You also want to make sure you have the required wage posters and post them at your place of business. If your employees will receive tipped wages, you will need to understand the various rules surrounding when and how tips can be taken, how wages are calculated to comply with minimum wage requirements, and how tips can be pooled between groups of employees (for example, supervisors and managers cannot pull from tip pools!). Read our blog about Pennsylvania's 2022 update to its tip rules.

☐ Write a comprehensive and thought-out offer letter.

Offer letters include important information for your new hire so they can understand what their roles and responsibilities will be without creating a letter indicative of any contractual agreement for your new hire. Rather, it can create an "at-will" employment relationship, where employees can be terminated or quit at any time. (Read our blogpost on at-will vs. contractual employment for more information to decide if at-will is the type of relationship you want.)

Every offer letter should include at least the offered employee's: position or title/role; direct report name/title; and full-time/part-time schedule. Other points to touch on include: their rate of pay and associated payment terms; an employer's request (not requirement) that the employee provide 2-week's notice if they decide to quit the position; ny benefits, whether the employees are exempt or non-exempt under overtime rules (this is a big one, and it's discussed in further detail here.)

☐ Develop an employee handbook.

Creating an employee handbook is an important tool that can outline what is expected of your employees on their shifts and establish workplace guidelines and expectations to protect your company and its employees, which helps everyone succeed. Important policies to have in your handbook include termination procedures, payroll procedures, who is entitled to benefits, an attendance policy, time off and paid time off policies, among others. Read our blogpost that goes into more detail about what all an employee handbook should include and when to have one.