



# *Taking on your first employee*

What you need to know before  
taking on your first employee

*face2faceHR*

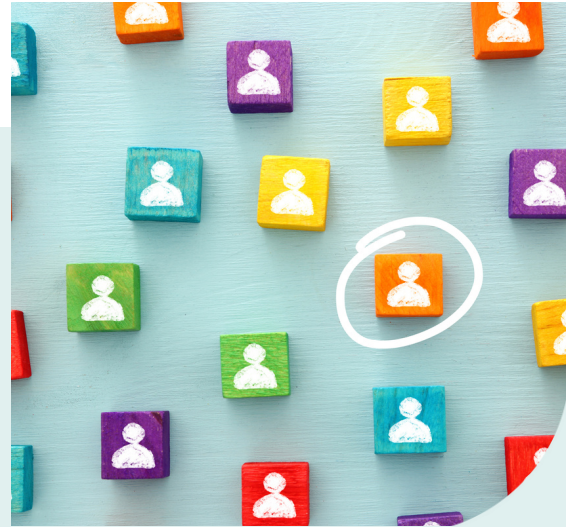
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# What you need to know before taking on your first employee

Taking on your first employee can be a daunting prospect, but our checklist will make sure you know what you need to think about, and help you identify what support or advice you need before you take that step.



## HMRC

You may need to register as an employer with HMRC. Your accountant should be able to provide guidance on this, or alternatively you can contact HMRC directly for advice.

## Pay

You need to be aware of payroll basics and either operate a payroll yourself or get an accountant or bookkeeper to do it for you.

National Minimum Wage; you need to ensure you pay at least that amount. NMW is updated regularly and there are different rates applicable so make sure you check which you need to apply and keep it updated.

*Equal pay and discrimination; you need to ensure you monitor how much you pay men and women to ensure no discrimination creeps in.*





## Who do I need?

You need to think about getting the right type of employee to suit your business:

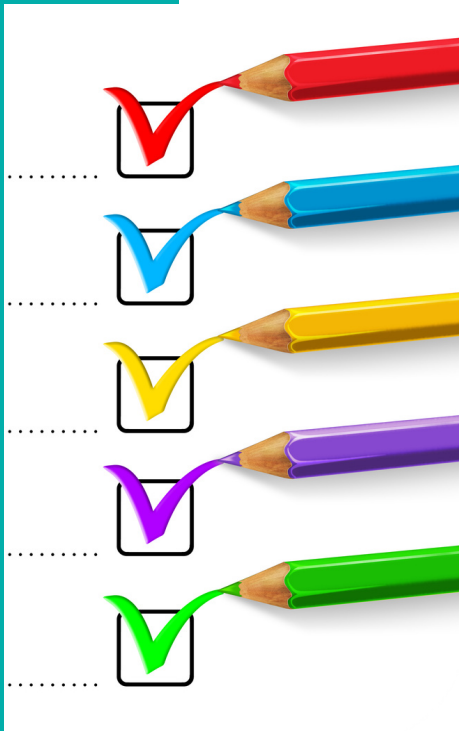
- Apprentice
- Self-employed/employed
- Agency workers
- Zero hours/casual

Look into these options, and seek advice to ensure you get the right arrangement for your business and don't fall foul of any legal vulnerabilities.

## Basic employment rights

You need to be aware of some of the basic employment rights which apply from day one of employment, and others which start to apply later. From day one the key ones to be aware of are:

- Contract/written statement of particulars
- Itemised payslip
- Holiday
- National Minimum Wage
- Sick pay
- H&S protection
- Time off for children/dependents
- Protection against discrimination



## Pre-employment checks

Before someone starts employment, you need to ensure you've completed some basic checks:

- Do they have the right to work in UK?
- References
- Health

You may wish to seek advice on the best way to carry out these checks, and identify any potential legal issues to protect your business.

## What records to keep?

You must keep records on the following:

- Rates of pay
- Payroll, i.e. tax and NI
- Sickness absence
- Accidents and injuries

It's also a very good idea to keep:

- Employment history and dates
- All types of absence
- Personal details of staff
- Copies of contracts

You need to be aware of Data Protection issues:

- Personal data about workers must be relevant, adequate, not excessive, stored securely and processed with a lawful basis for doing so
- Workers can see their records on request



## Contracts and Policies

You must by law have in place the following:

- Discipline and Grievance
- Health and Safety if you have more than five employees
- Written statement of particulars – basic terms of employment
- An employee privacy notice telling them about the personal data you process

It's strongly recommended that you also consider:

- A more tailored contract offering you more protection
- Rules around computer use
- Confidential information and data protection policy
- Information about time off
- Details of facilities at work

If your business involves tendering for work from bigger organisations then you may find they have minimum requirements from suppliers in terms of HR policies, so do check.

## Problems

When (not if) you encounter challenges with managing your staff you need some advice on dealing effectively with them within the law. These may include:

- Performance
- Absence
- Behaviour
- Conflict

## Termination

As and when you need to end someone's employment you need advice on:

- Unfair dismissal rights
- Redundancy
- Retirement



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