

# The Human Resource

## The small business HR consultancy

### Employer responsibilities: the basics

#### The practical steps and the legal minimum

Bringing in other people as employees is a critical step forward in growing your business. But it's also costly and risky. We provide the expert support and advice you need to get all the basics right and give it the best chance of success.

#### Your Checklist

- Decide on the new person's responsibilities
- Decide on the pay and benefits
- Get the job offer right
- Check the potential employee has the legal right to work in the UK
- Take up references
- Insure for employers' liability
- Written contract of employment with the first 8 weeks
- Induction training
- Register as an employer with the Tax Office
- Organise payroll
- Put health & safety measures in place

## Before recruiting

These are the key steps to take beforehand so everything is done properly:

Decide on responsibilities	<p>Think through what the role will be. Are there tasks that take up your time at the moment that you could delegate to someone else? Do you want someone to do something new, maybe develop part of the business? What will be the person's key responsibilities?</p> <p>We recommend that you list the key responsibilities into a one page job description, and from this identify what the job will require in terms of the experience, skills and qualifications the person will need to be successful.</p> <p>This will make the whole recruitment process easier: potential employees will be very clear from the outset what the role is and whether it's something they're interested in, and you will be able interview with a clear focus on identifying whether your requirements are met.</p>
Decide on the pay and benefits.	<p>Before advertising decide on the pay range and any benefits, and working hours plus any overtime pay arrangements. Adverts attract more applicants if they state the pay, and applicants will reasonably want to know about pay and benefits beforehand.</p> <p>When deciding on a salary for the job, consider how much competitors pay for comparable roles, and how much the business can afford.</p> <p>The offer will need to be within statutory requirements:</p> <ul style="list-style-type: none"><li>• National Minimum Wage rates</li><li>• Paid holiday entitlement at or above the statutory minimum, currently 28 days p.a. including public holidays.</li><li>• Statutory Sick Pay from the fourth day of absence for up to 28 weeks</li><li>• A workplace pension scheme that you will automatically enrol employees into and make contributions for them. The Pensions Regulator will notify you when your scheme needs to be in place.</li></ul>
The job offer	<p>Decide on the terms you will offer and give the successful applicant the good news on the phone at a time when they can speak confidentially: this will give you the opportunity to gauge their initial reaction.</p> <p>We recommend that you confirm the job offer in writing and include at least:</p> <ul style="list-style-type: none"><li>▪ A statement that you are offering employment</li><li>▪ The job title</li></ul>

	<ul style="list-style-type: none"> <li>▪ Any conditions that apply, such as receipt of satisfactory references, DBA checks, completion of satisfactory probation period</li> <li>▪ The pay, hours, benefits, pension arrangements, holiday entitlement, place of employment, etc</li> <li>▪ The start date</li> <li>▪ What the person needs to do next, e.g. return a signed acceptance of the offer, agree a start date, etc.</li> </ul> <p>Once someone has accepted your job offer, even if it's only made verbally, in effect you've entered into a legal arrangement which is a contract of employment. To avoid disagreements and misunderstandings, it's best to write with the terms and conditions of employment <b>before</b> the person starts work.</p> <p>You will have to do this within two months of them starting work with you in any case.</p>
Check legal right to work in the UK.	<p>Employers are responsible for checking that any potential new employee has the legal right to work in the UK. It's a criminal offence (punishable by a large fine) to employ a person without immigration authorisation to work in the UK.</p> <p>Ask for the potential employee's passport before they start and keep a copy on file in case of later government checks.</p> <p>If the passport is non UK or the individual doesn't have one, check on the mandatory process via this government site: <a href="https://www.gov.uk/legal-right-work-uk">https://www.gov.uk/legal-right-work-uk</a> Someone who is subject to immigration control must obtain a work permit before working in the UK, unless they belong to a category of people who don't need one.</p>
References	<p>We recommend that you take up employment references from the last two employers: normally they will only confirm employment dates and job title.</p> <p>If the employee will be required to work with children, vulnerable people, healthcare, security etc. you may be required to apply for a Disclosure &amp; Barring Service check before they start. For further information see <a href="https://www.gov.uk/disclosure-barring-service-check/overview">https://www.gov.uk/disclosure-barring-service-check/overview</a></p>
Insure for employers' liability	<p>You're legally required to take out Employers' Liability insurance as soon as you become an employer, with the policy covering you for at least £5 million. The insurance would help you pay compensation if the employee was</p>

	<p>injured or became ill because of the work they do for you. The policy must come from an authorised insurer – you can check this via <a href="http://www.fsa.gov.uk/fsaregister">http://www.fsa.gov.uk/fsaregister</a> or you can use an insurance broker.</p>
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## After your employee starts

Once the new employee starts, more legal requirements and best practice kick in:

Written contract of employment	<p>Within 2 months of starting work, you must provide your employee with a written statement of terms and conditions of employment. The detail is given in <a href="https://www.gov.uk/employment-contracts-and-conditions/written-statement-of-employment-particulars">https://www.gov.uk/employment-contracts-and-conditions/written-statement-of-employment-particulars</a>. We recommend that you include everything required legally with the job offer before the person starts (see The job offer section above).</p> <p>If this written statement of key terms doesn't include procedures the employee needs to know (such as sickness absence, pay, disciplinary, dismissal and grievance), it must say where the information can be found once the employee starts work. If you take on more employees you can pull these together into a single document as an employee handbook, but for your first employee a single document of the legal minimum is enough.</p>
Induction training	<p>The sooner the new employee has learned what's needed to do the job, the more quickly they will become productive and repay your investment. Setting the right style and clear expectations during the new employee's first few weeks - while they're at their most receptive and impressionable - are critical.</p> <p>Make sure the new person is aware of the requirements of their role, and provide any necessary training to enable them to carry it out effectively. Plan how you will create the experiences and input for the employee to learn the skills and knowledge required.</p> <p>Health and safety should form part of the employee's induction process. You should make them aware of issues ranging from fire procedures and exits to safe use of machinery and equipment. The induction should also cover your business policies for employees, e.g. IT and Internet use.</p>
Register as an employer with the Tax Office	<p>Register with HMRC as an employer before the first payday. You can do this in advance, up to 4 weeks before you pay your new employee for the first time. It can take up to 2</p>

	<p>weeks to process. You can do this online or via your accountant.</p> <p>HMRC's New Employer Helpline is 0845 6070143  HMRC information on becoming an employer  <a href="http://www.hmrc.gov.uk/selfemployed/tmabecoming-an-employer.shtml">www.hmrc.gov.uk/selfemployed/tmabecoming-an-employer.shtml</a>  HMRC 'Thinking of employing someone?' guide  <a href="http://www.hmrc.gov.uk/employers/employing-someone.pdf">www.hmrc.gov.uk/employers/employing-someone.pdf</a></p>
Organise payroll	<p>If you want to be self-sufficient, you can calculate and set up your own payroll. HMRC has an online tool which guides you through the process so you can pay your employee whilst complying with your legal obligations. Software guidance is given at <a href="https://www.gov.uk/payroll-software/free-software">https://www.gov.uk/payroll-software/free-software</a></p> <p>Put a process in place to produce the itemised pay statement that must be issued to all employees at the time they are paid. It must include the gross earnings; net pay; fixed and variable deductions from gross earnings; and if the net pay is paid in different ways, the amount and method of payment of each part payment.</p>
Put Health & Safety measures in place	<p>All employers have obligations under health and safety legislation to protect the health and safety of their employees. This means:</p> <ul style="list-style-type: none"> <li>• Carry out a risk assessment in the workplace, and introduce steps to control or eliminate risks.</li> <li>• Give employees the training and instruction they need to protect their health and safety.</li> <li>• Ensure plant, machinery and other equipment is safe to use, and that safe working practices are in place.</li> <li>• Make sure that hazardous substances do not present a risk in the workplace.</li> <li>• Provide adequate welfare facilities, such as wash basins for cleaning hands.</li> <li>• Provide appropriate personal protective equipment, and ensure it is used correctly.</li> </ul>

**The Human Resource supports employers in getting the basics of employment right, such as writing terms & conditions of employment tailored to your business, employment policies and job descriptions. We give practical advice on recruitment, pension auto enrolment, pay & benefits. We can also act as a one-stop-shop by referring you to our trusted partners in insurance broking, payroll, health& safety and immigration visas.**