



## **Information Update**

### **Starting a Business/Looking to Hire Your First Employee**

When you start up your own business at some stage you may start thinking about hiring. Moving from being an entrepreneur working on your own to having an employee or employees is a big step. Becoming an employer is a serious commitment.

Becoming an employer is a significant investment for you. You have to pay salaries. You have employer tax that you have to pay. There are a myriad of legal requirements which an employer must observe. If matters do not work out firing an employee can mean having to pay redundancy or you may be involved in a possible litigation for Unfair Dismissal.

The following are some matters which you might think of taking into account,

#### **1. Who should you employ?**

It is important that you set out in writing the attributes of any new employee. You must make sure that you do not breach any of the requirements of the Equality legislation. You need to think about what you need the person to do and what skills they need to bring to the job. There is nothing wrong in deciding that because you are a small start up company that possibly employees would come from smaller organisation, who may be used to more flexibility may be more suitable for you. There may be certain qualifications which the person may need to have. If you are a professional setting up an accountancy firm you may need accountants who are properly qualified. If you are opening up a newsagents you may need somebody who worked in a newsagents before. Getting the right person for your business is important.

#### **2. Have an Interview Sheet.**

It is important now because of various pieces of Employment Legislation that you have a marking sheet setting out the four or five important criteria on which you will base your decision. It is important to use that marking sheet for each employee and to pick the ultimate person on the basis of the marking sheet.



### **3. Having a Written Contract**

There are various types of employees that you may have. You may want a fixed term employer for a fixed period of time. That however may bind you to having that person for that period of time. You may want a consultant rather than an employee. You may want to use agency workers. You may want simply to employ somebody to work for you as your employee. There are various different types of employment contract which can now be put in place. You need to get the benefit of advice from an experienced employment solicitor who will work with you to put in place a contract which best suits you. Some people believe that they can get a contract from a friend or from another business and simply use it. Each contract needs to be tailored to your requirements and the requirements of your business. Using a contract which has been prepared for another business may not be the right contract for you.

#### **Why Must You Provide A Contract**

The simple answer is that it is the law. The Terms of Employment (Information) Act in respect of which there is a guide on our website requires that you give an employee a statement in writing of the principle terms of their employment. Depending on the type of employee you are taking on whether a part time worker, an agency worker or a full time employee different employment models give rise to specific rights and obligations. Therefore it is important that you get the proper advice.

#### **Make Sure You Have Good Professional Advisors**

As an employer you will have to make tax returns for your employees. Unless you understand tax law you will need the services of an accountant. They may also be able to provide payroll services for you to include payslips, filing the annual P35 return and providing P60s for you on an annual basis and where necessary completing P45 forms when an employee leaves, for whatever reason.

You need to look at Employer Liability Insurance and Occupier Liability Insurance. Again the services of a good insurance broker is required. You may need to get help from a health and safety expert on your premises. Are they suitable as an office. Are they safe?



Some employers believe that they can avoid having solicitors prepare contracts of employment and staff handbooks for them. Yes there are many companies who provide these services. However many of them while they may claim to have expertise do not have legally qualified advisors with practical experience in dealing with employment law matters.

Just as you would go to a commercial law specialist for commercial advice and assistance the same applies to employment law. Yes, there is a cost. However the cheapest service is not always the best service.

### **Getting the Mix of Professional Advisors Correct**

The fact that you use one solicitor for your personal business does not mean that you need to necessarily use that solicitor for your business needs. Various firms of solicitors will offer various services. If you are involved in commercial contracts then you need a specialist in commercial law. If you have bad debt issues then you may need a firm that specialises in debt collection. It may not necessarily be the same firm that undertakes your commercial work or your debt collection. In the area of employment law when it comes to contracts of employment, staff handbooks, advising you on the procedures for employing individuals and ultimately if it arises terminating employees then you need the services of an employment solicitor. The same applies to the accountant or tax advisor that you will use. Many individuals will have one company that acts as their accountant and a different company or individual who acts as their tax advisor. It is important to get the right mix of advisors. Our advice is to ask around. Ask friends or business colleagues whom they use. Get recommendations. Speak to the different professional service advisors and find one for each service which you require who will be able to provide a competent, professional and cost effective service to you.

### **Conclusion**

Setting up your own business is an exciting time. There are huge challenges. There are equally huge rewards. Being your own boss, directing your own future. Being the decision maker and making your business profitable and sustainable is immensely rewarding. Your professional advisors should at all times be prepared to take that journey with you and to support you in providing tailored, effective and cost efficient services to you.



The firm of Richard Grogan & Associates would be delighted to help you on any employment law issues. This is our area of specialism. We are not a full service firm. We don't claim to be. We don't claim to have commercial law expertise or experience so we won't provide you with services in that area. What we will do is provide you with an effective, efficient and a reasonably costed service where we have expertise. We will work with you. It is in our best interest that your business prospers and is profitable. If you are thinking of using our firm, take the time to meet other employment law firms ask both them and us what we can do for you. Decide which legal firm can provide the best service for you. It will cost you nothing to come in to talk to us to find out if we are the firm that can assist you and work with you.

Our contact details are on this document. We would be more than pleased to talk to you.