



# EMPLOYMENT COMPLIANCE AND LEGAL REQUIREMENTS

presented by

*Joy Pittman*

**WHAT WE ARE GOING TO TALK ABOUT IN  
THIS SESSION IS**



# **EMPLOYMENT COMPLIANCE AND LEGAL REQUIREMENTS**

## **THROUGHOUT THIS SESSION:**

- **LEGAL OBLIGATIONS**
- **COMPLIANCE LAWS**
- **BEST PRACTICES FOR AND MAINTAINING  
W-2 EMPLOYEES AND 1099 CONSULTANTS**





QUICK  
*recap*

**INTRODUCTION TO EMPLOYMENT  
CLASSIFICATION & EFFECTIVE WRITING  
TECHNIQUES**

# 1099 Contractor

INDIVIDUALS WHO PROVIDE SPECIALIZED SERVICES TO YOUR BUSINESS AS INDEPENDENT CONTRACTORS. THEY TYPICALLY HAVE THEIR OWN BUSINESS STRUCTURE, SET THEIR OWN WORK HOURS, AND MIGHT WORK WITH MULTIPLE CLIENTS.

# W2 Employee

INDIVIDUALS WHO ARE HIRED DIRECTLY BY YOUR ESTABLISHMENT. THEY ARE INTEGRATED INTO YOUR WORKFORCE AND RECEIVE REGULAR WAGES, BENEFITS, AND ADHERE TO YOUR COMPANY'S POLICIES AND PROCEDURES.

A bright orange background with a white, torn-edged paper strip in the center. The paper strip has a vertical fold on the left side. The text "LET'S GET STARTED" is printed in bold, black, uppercase letters on the white paper.

**LET'S GET  
STARTED**





# LEGAL OBLIGATIONS AND TAX IMPLICATIONS

**1099VSW2**

WHEN YOU'RE HIRING W/2  
EMPLOYEES, THERE ARE  
SEVERAL LEGAL AND  
REGULATORY CONSIDERATIONS  
THAT YOU SHOULD KEEP IN  
MIND.



A wooden gavel with a dark handle and a light-colored head rests on a dark wooden desk. To its right is a blue book with yellowed pages. A fountain pen with a gold nib and a black barrel is positioned in the bottom right corner. The text "Fair Labor Standards Act" and "FLSA" is printed in a bold, black, serif font on a white sheet of paper that is slightly angled across the desk.

**Fair Labor Standards Act**  
**FLSA**



Affordable Care Act





IN ADDITION, YOU'LL ALSO NEED  
TO CONSIDER THE COST OF  
HIRING  $w_2$  EMPLOYEES.



- HIGHER SALARY
- EMPLOYEE BENEFITS
- TAX WITHHOLDINGS

1099 CONTRACTORS ARE OFTEN  
TREATED AS SELF-EMPLOYED  
INDIVIDUALS.

THEY ARE RESPONSIBLE FOR  
OWN TAXES INCLUDING SELF  
EMPLOYED TAXES.

THEY DON'T HAVE THE SAME  
LEGAL PROTECTIONS AS W-2  
EMPLOYEES.



THEY OFFER SPECIALIZED  
SERVICES AND OPERATE  
INDEPENDENTLY.



**FORMS, DOCUMENTATION, AND  
RECORD-KEEPING**

MAINTAINING ACCURATE RECORDS IS NOT ONLY A BEST PRACTICE BUT ALSO A  
LEGAL REQUIREMENT.

PROPER DOCUMENTATION SERVES AS EVIDENCE OF ADHERENCE TO  
EMPLOYMENT LAWS AND REGULATIONS.



# TYPES OF FORMS AND DOCUMENTS REQUIRED

## W2 EMPLOYEES:

- W4 FOR TAX WITHHOLDING
- I-9 FOR EMPLOYMENT ELIGIBILITY VERIFICATION
- PAY STUBS FOR WAGE DOCUMENTATION

# TYPES OF FORMS AND DOCUMENTS REQUIRED

## 1099 CONTRACTORS:

- INDEPENDENT CONTRACTOR AGREEMENT
- 1099 FORMS FOR TAX REPORTING
- SERVICE INVOICES



WHAT ARE THE LIABILITIES  
WHEN GETTING IT WRONG?





HEFTY FINES



LEGAL ACTIONS





REPUTATIONAL DAMAGE



BUSINESS CLOSURE



# STRATEGIES TO MITIGATE COMPLIANCE RISKS



# STRATEGY 1

## DUE DILIGENCE

Stay informed about relevant laws  
and regulations

# STRATEGY 2

## LEGAL CONSULTATION

Seek legal expertise to ensure adherence to complex regulations.



# STRATEGY 3

## REGULAR AUDITS

Conduct regular internal audits to identify and rectify compliance gaps.

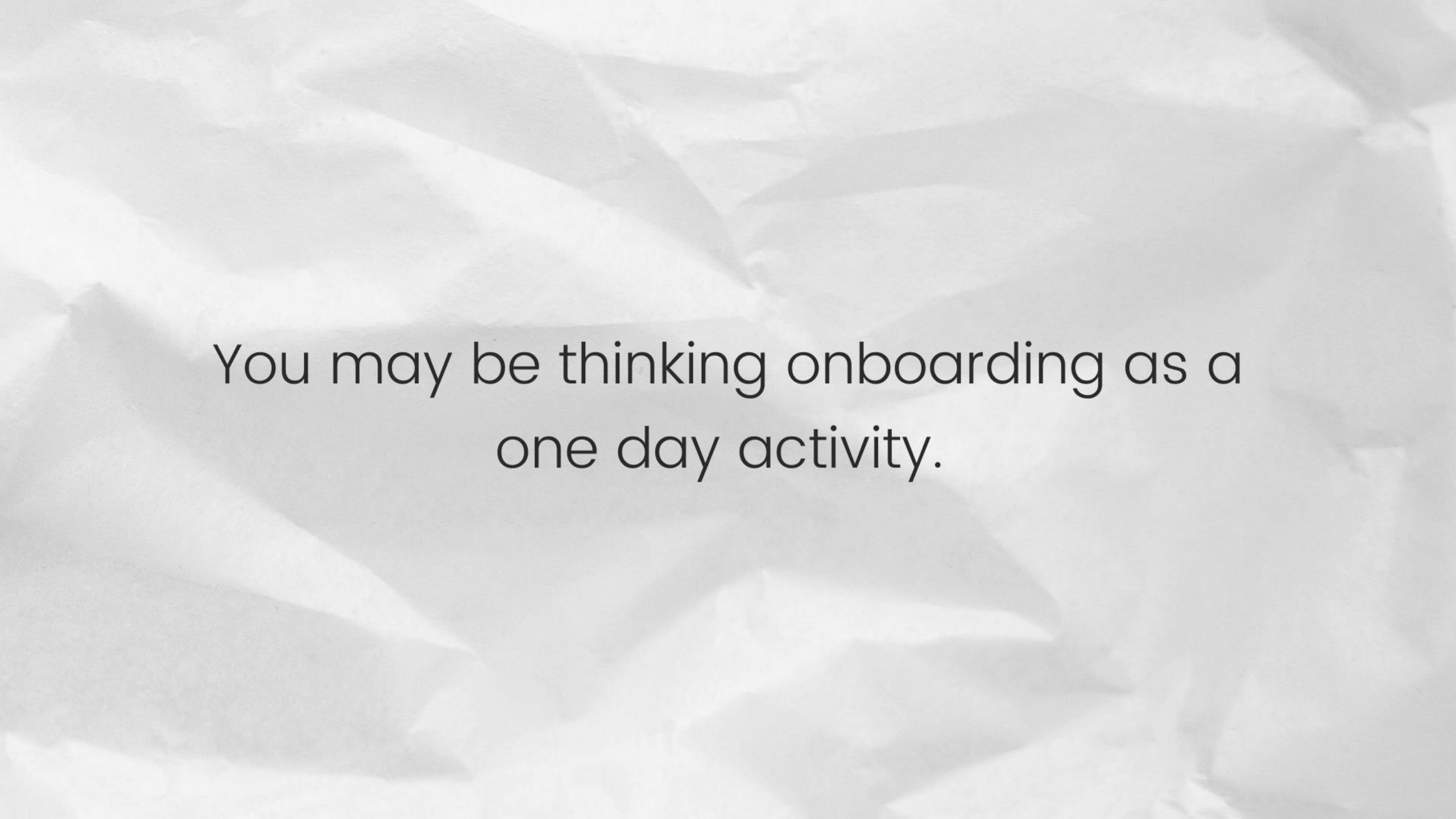
# STRATEGY 4

## TRAINING AND EDUCATION

Educate employees and contractors about compliance requirements.







You may be thinking onboarding as a  
one day activity.




You may be thinking onboarding as a  
one day activity.



# Defining Onboarding

What is onboarding?

Onboarding plays a critical role in setting the stage for the employee's overall experience in your organization.



"You never get a second chance to make  
a first impression."

So, you might be wondering what are the importance of having an effective onboarding?



So, you might be wondering what are the importance of having an effective onboarding?

- It helps validate the new hire's decision. Out of all the offers they might have received, was it the right decision to go forward with your company?

- It creates an avenue for the new hire to acclimate to the organization.



- It provides clear expectations for both the new hire and the organization.

- It can be used as a platform to introduce work training and provide resources.

Before you attempt onboarding...

YOU NEED TO FIRST DESIGN YOUR  
ONBOARDING STRATEGY.



- What first impression(s) would you like to gain?
- For what purpose are you doing the onboarding?
- Who or which department are you going to involve in this program?
- How long would the onboarding last?
- What avenue or platform will you use?
- What information would you want the new hire to know?

# CRITICAL COMPONENTS OF AN EFFECTIVE ONBOARDING



## **Purpose**

Why do you want to have onboarding process?

Map out the following:

- Who is the intended audience of this process?
- What results do you want to achieve by facilitating this process?
- How and by what means do you intend to achieve these results?

# CRITICAL COMPONENTS OF AN EFFECTIVE ONBOARDING



## **Purpose**

Why do you want to have onboarding process?

### Example:

This program aims to help new hires acclimate to the organization's culture and processes (WHO). It is shaped to ensure new hires start their journey with our Company on the best note (WHAT). Going through the program, you will find well-designed topics and training specifically designed to answer all of the new hires' questions and provide guidance on the roles and responsibilities they will play (HOW).



# CRITICAL COMPONENTS OF AN EFFECTIVE ONBOARDING

## 2

### **Paperwork**

What are the different forms and documents?

- Official Offer Letter and Welcome Email
- Non Disclosure and No Compete Agreement
- I-9 Employment Eligibility Verification
- W-4 Employee's Withholding Certificate
- Direct Deposit Authorization Form
- Emergency Contact Information
- Personal Information Sheet
- and other state forms.

# CRITICAL COMPONENTS OF AN EFFECTIVE ONBOARDING



## Process

What are your next steps?

- Connect with the candidate to tell the good news
- Send the offer letter
- Welcome email
  - To the candidate
  - To the organization
    - To announce there is a new employee
- Confirm the start date and invite new hire to self onboard
  - Depending on what payroll or HRIS application your organization uses



# CRITICAL COMPONENTS OF AN EFFECTIVE ONBOARDING



## People

How can the employee form connections?

- A brief tour and introduction on the first day.
  - You shouldn't force any socialization but rather ease the process.

Note: This step is only applicable if your operations requires the new hire to be working on-site. It is also important to take into consideration COVID-19 protocols when conducting the tour.



# CRITICAL COMPONENTS OF AN EFFECTIVE ONBOARDING



## People

How can the employee form connections?

- Arrange social events both outside and inside work in the first few weeks of the employee.
  - Yes, this can also be done virtually.
- Employ a buddy system—to fast-track knowledge transfer and to build the leadership capacity of longer standing team members

# CRITICAL COMPONENTS OF AN EFFECTIVE ONBOARDING

4

## People

How can the employee  
form connections?

- Prepare supplies, tools and equipments on the first day for the employee.
  - If working as a contractor, tools and system accesses should be available.





WHAT'S  
NEXT?



Just as onboarding is crucial, a well-structured offboarding process is equally essential.

# Defining Offboarding

What is off boarding?

Offboarding is more than just a formality; it's an opportunity to ensure a respectful departure, gather valuable feedback, and facilitate knowledge transfer.

Although companies have their own procedures when it comes to off-boarding the core activities are the same:



- transferring job responsibilities
- deactivating and/or revoking access, and
- conducting exit interviews to gather feedback – both positive and not so positive.

# CRITICAL COMPONENTS OF AN EFFECTIVE OFFBOARDING



## **Purpose**

Why do you want to have offboarding process?

- Positive Departure: Ensure that the offboarding process aims to create a positive experience for departing individuals, maintaining goodwill even after they leave.

# CRITICAL COMPONENTS OF AN EFFECTIVE OFFBOARDING



## **Purpose**

Why do you want to have offboarding process?

- Feedback Collection: Use offboarding as an opportunity to gather feedback about their experiences, insights, and suggestions for improvement.



# CRITICAL COMPONENTS OF AN EFFECTIVE OFFBOARDING



## **Paperwork**

What are the different forms and documents?

Ensure all required paperwork is accurately completed:

- Exit Forms
- Final Pay Details
- Benefit Informations (For employee)

# CRITICAL COMPONENTS OF AN EFFECTIVE OFFBOARDING



## **Paperwork**

What are the different forms and documents?

For W2 Employees

- Return of Assets - coordinate the return of company property like laptops, access cards, and any equipments.
- Legal Compliance - Ensure compliance with legal and contractual obligations, including non-disclosure agreements and other relevant agreements.



# CRITICAL COMPONENTS OF AN EFFECTIVE OFFBOARDING



## Process

What are your next steps?

- Develop a well-defined offboarding plan that outlines steps, timelines, and responsibilities.
- Conduct an exit interview to understand the reasons for departure and gather valuable insights for organizational growth.
- Facilitate a smooth transition for the team by ensuring a seamless handover of tasks and responsibilities.



# CRITICAL COMPONENTS OF AN EFFECTIVE OFFBOARDING

## 4

### People

Who are the involved?

- Managers should actively participate in the offboarding process, expressing gratitude, and showing support.
- Inform the team about the departure, ensuring transparency and minimizing any disruptions.
- Encourage the departing individual to provide guidance to colleagues who will assume their responsibilities.



Well structured onboarding and offboarding processes is key to maintaining a successful and compliant operation



**EMPLOYEE SATISFACTION**



**TURNOVER, AND COMPLIANCE  
WITH LEGAL REQUIREMENTS.**



question  
ANSWER



By prioritizing compliance, you're laying the foundation for a thriving and reputable business that ensures employee satisfaction, minimizes legal risks, and delivers exceptional experiences for your guest, customers and vendors.



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*Always for the culture!*