

## Hiring Employees

A business must conform to certain requirements when hiring employees. Both federal and state laws regulate employment. The following is a brief summary of the major legal requirements. A qualified tax attorney or account should be consulted.

### Federal Employer Identification Number (EIN)

The EIN is often referred to as a "tax ID number." A new business will not need a EIN if it has no employees and is organized as a sole proprietorship. The proprietor's Social Security Number is used to identify the business. If the business changes to a partnership, or corporation, or if it hires an employee, then an EIN will be required. To obtain an EIN, the business owner must complete an SS-4 form and submit it to the IRS. To receive a free federal business tax kit, which includes information on the EIN and other tax information dealing with hiring employees call the IRS at (800) 829-3676. You can also apply for an EIN immediately by calling 1-866-816-2065. A completed SS-4 then must filed with 24 hours.

### Wisconsin Employee/Withholding Tax Identification Number

A Wisconsin Employer/Withholding Tax Identification Number is required for payroll purposes. It can be obtained by completing Form BRT-101. Similar to federal regulations, no state tax number is required if the business has no employees and is a sole proprietorship. Call the Sheboygan office of the Wisconsin Department of Revenue at (920) 459-3101.

### Labor Standards Laws

Both federal and state laws cover a variety of issues relating to the pay and treatment of employees. The following is a partial listing of areas covered by regulations: minimum wage, overtime pay, employment of children, prevailing wage requirements. For more information call the US Department of Labor, Wage, and Hour Division (608) 264-5221 and Department of Workforce Development Equal Rights Division (608) 266-6860. The Department of Labor has an office at the Bay Area Workforce Development Board office at 733 Dewey Street, Manitowoc, WI 54220. Please call at 920-683-2888.

### Equal Rights and Opportunity

In Wisconsin, it is illegal to discriminate against job seekers and current employees on the basis of sex (including pregnancy), age (40 and over), race, color, national origin, ancestry, religion, handicap, sexual orientation, marital status, and, in most cases, arrest or conviction record. Call the Department of Workforce Development Equal Rights Division at (608) 266-2660.

### Unemployment Compensation

Unemployment Compensation coverage for employees must be contributed by most employers. This is done in the form of a payroll tax. For more information contact the Department of Workforce Development Division of Unemployment Compensation at (608) 261-6700.

### Worker's Compensation Insurance

Most Wisconsin employers must carry a special insurance to cover liability due to work-related employee injury or illness. Worker's compensation insurance is usually obtained through private insurance companies. For more information, call the DWD Division of Worker Compensation at (608) 266-1340.

### Employee vs. Independent Contractor Issues

The IRS and the Wisconsin Department of Revenue presume that any worker is an employee unless an employer can prove otherwise. This is an area often misunderstood by small businesses. Mistakes can be made by not properly withholding income and social security taxes for an individual who is thought to be an independent contractor but is actually an employee. Such mistakes may have serious financial and legal implications. For more information contact the IRS at (800) 829-3676 or their Appleton office at (920) 433-1913.

### Immigration Law

Regulations require that employers take steps to ensure that employees are eligible to work. You will be required to have new employees fill out an I-9 form and keep the completed form on file. For more information, contact the US Immigration and Naturalization Service, Bureau of Citizenship and Immigration Services in Milwaukee 1-800-357-2099; [www.immigration.gov/graphics/index.html](http://www.immigration.gov/graphics/index.html).

### Workplace Safety and Health Regulations

For information on state right-to-know rules and workplace standards, contact the Wisconsin Department of Commerce — Division of Safety & Buildings at (608) 266-3151. The Occupation Safety and Health Administration (OSHA) establishes rules which cover every employer and which require a workplace free from safety and health hazards. For more information, contact the OSHA office in Appleton at (920) 734-4521 for more information. Please refer to the section on "Permits, Licenses, and Government Regulations".

### Posting of Labor Law Posters

Employers are required to post various posters to inform workers of their rights under labor regulations. Each regulating agency contacted should be asked about posting. Requirements include the posting of non-discrimination and safety law notices.

### Americans with Disabilities Act of 1990

Employers are responsible for providing reasonable accommodation to qualified individuals with disabilities who are employees or applicants for employment except when such accommodations cause an undue hardship. Please refer to the section on "Permits, Licenses, and Government Regulations".

### Human Resources Issues

For additional information on human resources issues, please visit the website of the Lakeshore Area Human Resource Association (LAHRA) at [www.wishrm.org/chapter/lkshr/index.html](http://www.wishrm.org/chapter/lkshr/index.html)