

# Three Things to Bear in Mind When Hiring Your First Employee

Hiring your first employee should be seen as a significant milestone for your company.

It's an exciting time for everyone involved. After all, it means your product or service has been validated and (hopefully) that your company is stable enough to provide a salary for another member of the community.

However, making that first hire can potentially be a legal minefield. It's important to know your responsibilities as an employer before you even begin the hiring process, or you could end up with a lawsuit on your hands.

Here are three essential points to bear in mind when hiring your first employee.

## 1. Job Interviews and Anti-discrimination Laws

You need to prepare thoroughly for any job interviews you carry out. This isn't only to increase your chances of hiring the best fit for your company, but also so you don't run afoul of anti-discrimination laws.

There are several laws in the United States preventing you from making hiring decisions based on a candidate's nationality, age, religion, gender (including pregnancy) or disabilities **among other things**. In addition, some states prevent looking at less obvious factors, such as criminal history.

As such, you shouldn't question employee about any of these subjects, either in a job application or during the interview. The best way to make sure you run a compliant process is to prepare all the questions beforehand and not to stray too far from the script, even if it is to build rapport. If you have questions about what questions are allowed, you should check with an HR expert or counsel.

Take care not to discriminate against employees based on these factors once they're hired as well.

## 2. Financial Obligations, Including Taxes

As an employer, you're not only obliged to 'make payroll' and ensure your employee gets their salary on time, you are also liable to pay a number of taxes and other fees associated with the payment of wages, including social security tax, Medicare tax, federal unemployment tax, and state unemployment tax.

Be aware of how much these taxes will cost you, as well as minimum hour and wage requirements and any stipulations regarding overtime before you weigh up how much you can afford to pay your new recruit.

Before hiring your first employee, your company should be registered with all the appropriate state and federal agencies. Many companies outsource the calculation and payment of the various taxes to a third-party service. These services can also help identify all the necessary registrations, and in some cases assist with the process.

### **3. Employment laws**

If your new employee doesn't work out the way you had hoped, it might be harder to get rid of them than you expect.

A good offer letter and employer policies can help you avoid being stuck with an employee or being sued for unfair dismissal. In addition, creating a good record of any misconduct or other failures will help your company be on firm ground if it does need to terminate an employee.

Bearing these important points in mind will help to ensure that your company continues to thrive with your new recruit on board.