

Checklist for Hiring Your First Employee

*If you are ready to hire an employee, there are several key steps you need to follow to ensure compliance with local and federal regulations, as well as to attract and retain the right talent. *This is intended as a general guide and not intended to be comprehensive.*

Obtain an Employer Identification Number (EIN): Before hiring employees, a business needs an EIN, which acts like a Social Security number for the business. It can be obtained from the IRS online for free. Often referred to as a Tax ID Number.

- [Get an EIN from the IRS](#)

Register with Alaska State Agencies:

This is where you need to go for current information about being an employer in Alaska. Go to the State of Alaska Department of Labor and Workforce Development [website](#)

- [Resources for Employers](#)

Things you need to know:

- Occupational Code for each employee
- [Minimum Wage Rates](#)
- What is your payroll schedule going to be, pay periods and paydays (start date)

Payroll

Employers are required by law to withhold employment taxes from their employees. Employment taxes include federal income tax withholding and Social Security and Medicare Taxes. Most small businesses calculate and issue paychecks themselves. Others contract with a payroll company that can run payroll, including filing and paying federal tax withholdings for the business.

- **Register with the Electronic Federal Tax Payment System (EFTPS)**
This free service from the U.S. Department of the Treasury is used to make federal tax deposits (employee withholding, social security, and Medicare).

As a part of payroll taxes, Alaska employers must pay the Alaska unemployment insurance tax. In Alaska, this tax is specifically called the Employment Security Tax.

State of AK Unemployment Insurance: [Alaska Employer Packet page](#)

Alaska law requires all employers doing business in the state to report the hiring, rehiring, or return to work for each employee within 20 days of the date of hire. The following information must be submitted: Employee name, address, and social security number.

- **Register for a [MyAlaska](#) Employer Account**

Payroll Record-Keeping

- Dept of Labor <https://labor.alaska.gov/lss/forms/recordkeeping.pdf>
- [Federal I-9](#), filled out by the employee, provides personal information and verifies the employee's eligibility to work in the U.S. It is kept in your business records.
- [Form W-4](#) Is a form that the employee fills out. It tells you the employee's filing status, amount of deductions, and any additional amount to withhold from each paycheck to use to compute the amount of federal income tax to deduct and withhold from the employee's pay. At the end of the year, the business will need to complete and file a [Federal Form W-3](#) to transmit all employees' W-2s to the IRS.

Workers' Compensation Insurance: Alaska law requires businesses with employees to have workers' compensation insurance, which can be obtained from a commercial carrier through the Alaska Workers' Compensation Benefits Guaranty Fund or by qualifying as a self-insurer. Find out more here: [Workers' Compensation Requirements For Employers](#)

Internal Best Practices:

- 1) **Develop a Hiring Plan and Job Description:** Clearly define the role, responsibilities, qualifications needed, and the salary range. This helps in attracting suitable candidates and sets clear expectations.
- 2) **Advertise the Job Opening:** Use local job boards, social media, local chambers of commerce (such as the Anchorage Chamber of Commerce), and networking events to spread the word about the job opening.
- 3) **Screen Candidates and Conduct Interviews:** Ensure you follow non-discriminatory hiring practices and prepare a set of questions that will help you determine the best candidate for the job.
- 4) **Conduct Background Checks and Reference Checks** (if applicable): Depending on the nature of the job, you might need to conduct background checks. Ensure you comply with the Fair Credit Reporting Act and Alaska's laws when doing so.
- 5) **Prepare an Employee Agreement and Offer Letter:** Outline the terms of employment, benefits, and any other employment conditions. Have a legal professional review it to ensure compliance with local and federal laws.
- 6) **Onboarding Process:** Once the candidate accepts the offer, prepare for their first day. This includes setting up their payroll, explaining their job duties, introducing them to the team, and going over company policies.
- 7) **Compliance with Federal Regulations:** Make sure to comply with federal employment laws, including those related to the Fair Labor Standards Act (FLSA), the Occupational Safety and Health Administration (OSHA), and the Equal Employment Opportunity (EEO) regulations.
- 8) **Ongoing Compliance and Record Keeping:** Maintain records of employee details and employment history as required by law. Stay informed about changes in labor laws and continue to manage payroll and tax filings accordingly.