

ENGAGING YOUR OWN SUPPORT WORKERS

CHECKLIST – INDEPENDENT CONTRACTOR

If you have decided you are engaging an INDEPENDENT CONTRACTOR...

Please note that this is a general checklist. It is recommended that this is used in conjunction with *WAI's Engaging Your Own Support* booklet which provides general information about your legal considerations when Hiring Your Own Workers.

➔ <http://waindividualisedservices.org.au/home/national-disability-insurance-scheme/self-management/engaging-your-own-supports/>

ABN

1. If they have an ABN, your contractor should provide you with a document with their ABN on it (for example, an invoice) that you then pay using your funding. Please keep these documents for your records.

➔ <https://www.ato.gov.au/Business/PAYG-withholding/Payments-you-need-to-withhold-from/Withholding-from-suppliers/Documents-quoting-supplier-s-ABN/>

or

Statement by Supplier

2. If your contractor does not have an ABN, the contractor may provide you with a Statement by Supplier form as an alternative (to providing an ABN). Please keep this form for your records. It is good practice to keep a document from your contractor (for example an invoice) as a written record of the transaction.
3. Your contractor may complete this form if the work they do is wholly of a private or domestic nature for the contractor.

➔ <https://www.ato.gov.au/forms/statement-by-a-supplier-not-quoting-an-abn/>

(See the ATO guidance note about who can complete a Statement by Supplier form)

4. Your contractor decides whether they need an ABN or can use a Statement by Supplier form, not you.

Taxation

1. Contractors are responsible for declaring their own income and paying any tax owing to the ATO.
2. You do not have to withhold tax for your contractor unless your contractor does NOT provide you with an ABN or a Statement by Supplier form. In this case, you may be required to withhold tax from the payment you make to the contractor and provide the amount you withheld to the ATO.

➔ [https://www.ato.gov.au/forms/statement-by-a-supplier-not-quoting-an-abn/;](https://www.ato.gov.au/forms/statement-by-a-supplier-not-quoting-an-abn/)

➔ <https://www.ato.gov.au/business/payg-withholding/payments-you-need-to-withhold-from/withholding-from-suppliers/>



Superannuation Guarantee

1. Your contractor may be entitled to get the Superannuation Guarantee (Super) from you.

2. Determine if you need to pay your contractor Super.

➔ <https://www.ato.gov.au/business/super-for-employers/working-out-if-you-have-to-pay-super/>

3. If Super is payable, you can choose to use the ATO's free Small Business Superannuation Clearing House (SBSCH) to pay it.

➔ <https://www.ato.gov.au/business/super-for-employers/paying-super-contributions/small-business-superannuation-clearing-house/>

4. To access the SBSCH you use an ABN or a Withholding Payer Number (WPN).

➔ <https://www.ato.gov.au/Business/Super-for-employers/In-detail/Small-Business-Superannuation-Clearing-House/How-to-access-the-SBSCH-via-online-services/>

5. You can apply for a WPN by completing a Register a PAYG withholding account form NAT 3377.

➔ <https://www.ato.gov.au/forms/application-to-register-a-payg-withholding-account/>

6. The SBSCH is accessed through your MyGov account.

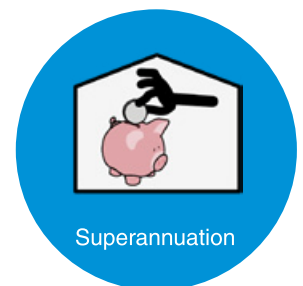
➔ <https://www.ato.gov.au/Business/Super-for-employers/In-detail/Small-Business-Superannuation-Clearing-House/How-to-access-the-SBSCH-via-online-services/#Soletraderoranindividualwhoemploysothers>

7. If Super is payable, you can use the ATO's Superannuation Standard Choice form to advise your contractor of your nominated fund and for them to tell you of their choice of fund.

➔ <https://www.ato.gov.au/Forms/Superannuation-%28super%29-standard-choice-form/>

8. If Super is payable, you must make the payments by the quarterly due dates.

➔ <https://www.ato.gov.au/Business/Super-for-employers/Paying-super-contributions/When-to-pay-super/>



Workers' Compensation Insurance

1. Workers need to be covered by Workers' Compensation insurance.

➔ <https://www.workcover.wa.gov.au/employers/understanding-your-rights-obligations/>

2. The relevant category of insurance is called 'Private households employing staff (regular)' and the ANZSIC code is 97000.



Health & Safety

1. Health and Safety is everyone's responsibility.

➔ <https://www.commerce.wa.gov.au/worksafe/your-rights-and-responsibilities-0>

2. Discuss with your contractor about Health and Safety as both of you need to ensure your contractor works in a healthy and safe environment.

➔ https://www.commerce.wa.gov.au/sites/default/files/atoms/files/home_based_care.pdf



Checks

1. If you require your contractor to obtain a National Police Certificate as a term of their contract with you, it is recommended that you check the currency of the contractor's National Police Certificate and keep a copy for your records.

➔ <https://www.police.wa.gov.au/Police-Direct/National-Police-Certificates>

2. Your contractor must have a Working with Children's check, if they are working with children when they work for you. Please check the currency of this and keep a copy for your records. For further information, please go to:

➔ <https://workingwithchildren.wa.gov.au/employers-organisations/the-checking-process/who-needs-a-wwc-check>

Records

1. In general, for tax purposes records must be kept for 5 years.

➔ <https://www.ato.gov.au/Individuals/Income-and-deductions/In-detail/Keeping-your-tax-records/#Disabilityaidsattendantcareoragedcareexp>



Government of **Western Australia**
Department of **Communities**

This project is an NDIS Information, Linkages and Capacity Building (ILC) initiative. For more ILC events and resources please visit <http://www.disability.wa.gov.au/wa-ndis/wa-ndis/information-linkages-and-capacity-building/resources/>

This general information guide is current as at May 2018. Please note that over time some of the links provided may not work as governing bodies change their website layouts. If a link does not work, we recommend you source the relevant document using a title search with an Internet search engine.

Disclaimer: This checklist is provided as general information only. It is not legal advice. Please consult a professional advisor (for example, a lawyer or accountant) if you require legal or financial advice in relation to your own individual circumstances.

