



## **Hiring Your First Employee: A Step-by-Step Guide for Small Business Owners**

### **Everything You Need to Know to Hire Confidently and Legally**

While this guide is designed as a checklist for the DIYers out there, if it seems scary or you don't have the time, then let us handle it for you.

---

#### **Welcome!**

Hiring your first employee is a big milestone and a smart move when your business growth starts to outpace your time. This guide will walk you through the key steps to ensure a successful and compliant hiring process, from planning the role to onboarding your new hire.

---

#### **Step 1: Determine What You Need**

##### **Define the Role Clearly**

- What tasks do you need help with?
- Is it part-time, full-time, or project-based?
- Remote, hybrid, or in-office?

##### **Write a Job Description**

Include:

- Job title
  - Responsibilities
  - Skills/qualifications
  - Work hours and location
  - Compensation range
- 

#### **Step 2: Understand Your Legal Obligations**

##### **Get Familiar With Employment Law**

You'll need to comply with federal and state labor laws. Key requirements:



- **Employer Identification Number (EIN)** – Get from IRS.gov
  - **Register with your state** for payroll taxes
  - **Workers' compensation insurance** (mandatory in most states)
  - **Know the difference** between an employee vs. contractor
  - **Understand wage laws** (Fair Labor Standards Act, minimum wage, overtime rules)
- 

### **Step 3: Create an Attractive Job Post**

#### **Use Clear, Compelling Language**

- Highlight what makes your company exciting
- Mention growth opportunities
- Include your values and mission

#### **Where to Post:**

- LinkedIn
  - Indeed
  - Local job boards
  - Industry-specific platforms
  - Your business website
- 

### **Step 4: Interview & Select Candidates**

#### **Streamline the Interview Process**

- Use structured questions
- Focus on both technical and cultural fit
- Take notes and score candidates consistently

**Legal Considerations:**

- Avoid asking personal or discriminatory questions
  - Keep interview notes and decisions job-related
- 

**Step 5: Make the Offer & Handle Paperwork****Offer Letter Should Include:**

- Job title and description
- Start date
- Compensation and benefits
- Work location and schedule
- At-will employment clause (where applicable)

**New Hire Documents:**

- W-4 (federal tax withholding)
- I-9 (employment eligibility)
- Direct deposit form
- State tax forms (varies by location)
- Employee handbook or onboarding packet

## **Step 6: Set Up Payroll and Benefits**

### **Choose a Payroll Provider**

#### **Set Up Benefits (Optional but Valuable):**

- Health insurance
- Retirement plans
- Paid time off

#### **Don't Forget:**

- Track hours accurately
  - Pay on time (and in accordance with state rules)
  - File payroll taxes regularly
- 

## **Step 7: Onboard Your New Hire**

### **Make the First Week Count**

- Introduce them to your business goals and tools
- Provide training
- Set clear goals for the first 30–60–90 days
- Schedule regular check-ins

**Tip:** Onboarding well increases retention by over 50%.

---



## **Final Thoughts & Resources**

### **Congratulations!**

Hiring your first employee marks the start of scaling your business. Done right, it leads to increased productivity, happier customers, and less stress for you.

### **Need Help?**

We help small businesses with smart, compliant HR solutions.