

The hiring and management of employees presents an opporement

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his is a general overview of employer responsibilities to set up for and employ workers on your farm. For more detailed information you will need to contact the following agencies:

Vermont Health Care Connect, Small Business Page: http://info.healthconnect.vermont.gov/SB/fag

VT Department of Taxes oversees numerous programs. Most relevant to farms will be individual income taxes, sales/rooms/meals taxes if required and property taxes.

http://www.state.vt.us/tax/business.shtml or 802-828-

icare taxes, FUTA, self-employment tax and more.

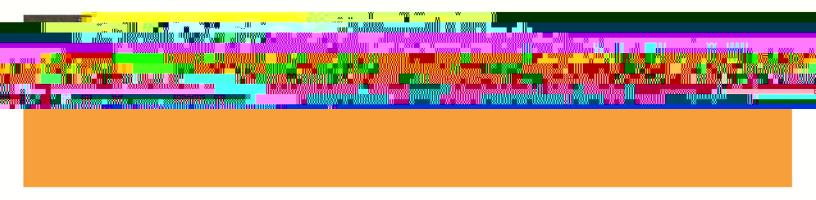
http://www.irs.gov/Businesses/S

you can choose to work with a hired accountant, bookkeeper or professional payroll service. Certain software programs also have the capacity to manage payroll requirements. These are the basic steps to setting up the documentation and tax record for an employee:

• Obtain Employ â ; y A

mployee taxes from their regular paycheck (withholding, Soci

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Wages, Hours and Fair Labor Standards for Agriculture

The United States Department of Labor provides information related to the Fair Labor Standard



For more information, contact:

Stephen Monahan
Director, Workers' Compensation & Safety Division
Vermont Department of Labor
5 Green Mountain Drive
PO Box 488
Montpelier VT 05601-0488

Tel.: 802-828-2138 Fax: 802-828-2195

Independent Contractor vs. Employee

Business owners are required to correctly determine if individuals providing services are considered employees or independent contractors. In general, businesses will need to withhold income taxes, withhold and pay Social Security and Medicare and pay unemployment taxes in addition to the wages paid to the employee. You do not generally withhold or pay any taxes on payments made to independent contractors.

The determination is based on the following three categories that provide evidence of the degree of control ovea the person providing service: behavioral, financial and type of relationship. In general, employees fall under a degree of behavioral control where the empl