



# ONBOARDING GUIDE FOR INDIANA EMPLOYERS



## WHAT'S INSIDE THIS E-BOOK:

- Introduction
- Employment Eligibility Verification (I-9 Form)
- Federal Income Tax Withholding (W-4 Form)
- Indiana State Income Tax Withholding (WH-4 Form)
- Employee Files
- Employee Training
- Mentorship Programs
- Human Resources Best Practices



## INTRODUCTION

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Work in any Human Resources department can be daunting, especially when it comes to ensuring the correct processes are in place to welcome new team members to a growing workforce. These processes can be especially intimidating since they aren't just good practices - they are often mandated by state and federal law.

In the state of Illinois, many employment requirements need an HR representative's attention during the onboarding process. These requirements include everything from having all required state and federal forms filled out to filling the new hire in on important company information, required training, and providing professional resources. State and federal laws require that all necessary paperwork be kept on file in the event of an audit.

This guide will serve as your go-to resource for all new employee onboarding procedures required by the state of Illinois to ensure any future audit will be a successful one.



## EMPLOYMENT ELIGIBILITY VERIFICATION (I-9 FORM)

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A significant amount of paperwork is required for a new employee during the onboarding process. However, the most crucial form is the I-9 Form issued by the U.S. Citizens and Immigration Services and the Department of Homeland Security. This form will be filled out either before or on the employee's first day.

This form is crucial because it primarily helps employers verify the identity of the new hire since completing the form requires them to show a passport or any two of the following: driver's license, social security card, or birth certificate. If these forms of identification are not available, other acceptable forms of identification can be used.

An I-9 Form also verifies that an employee is legally authorized to work in the United States by designating the employee as a(n):

1. United States Citizen
2. Non-United States Citizen National
3. Lawful Permanent Resident
4. Authorized Working Alien

If you are a qualified employer, you can also use the E-Verify system. This database allows employers to cross reference information provided on the I-9 Form with government records. If your company qualifies for the E-Verify system, it will be an added benefit to ensure accuracy.





## Federal Income Tax Withholding (W-4 Form)

Another required federal form is the Federal Income Tax Withholding Form commonly known as the W-4 Form. This form serves as a middleman between the employer, the employee, and the Internal Revenue Service and communicates between all three parties for income tax purposes.

Before the first day of employment, new employees must fill out the newly updated W-4 form. This form will tell the employer exactly how much federal income tax the employee wishes to withhold from their paycheck. This amount is determined by factors such as the employee's marital status or whether they have dependents.

The designated withholding amount is then communicated to the IRS by the employer. This allows the IRS to estimate its expected tax payment. At the end of the year, the employee will have a higher tax refund if they are paying more per paycheck. If they are paying less, they will either owe taxes or receive a smaller refund. Employees can estimate how much they need to withhold by using this [online estimator tool](#).

An employee's situation can change with every passing year, so it's best practice to have employees revisit and resubmit a W-4 annually. For example, a marriage or birth of a child can change the amount withheld or an employee can elect that more be withheld if their tax bill was too high at the end of the previous year.



If an employee consults you about having a high tax bill at the end of the year, one of the main reasons is that they did not withhold the proper amount from their paycheck. To assist them, you can share resources with them but you cannot offer advice or fill out the form for them. You can direct them to the IRS website for frequently asked questions or direct them to a tax professional.

If an employee does not fill out a W-4 form, that doesn't mean they're off the hook when it comes to federal taxes being withheld. Employers should then treat the employee as they would a single filer with no dependents and no further adjustments.

If your company employs independent contractors, these employees will be treated differently. This type of employee does not typically have income tax withheld from their paychecks. Instead, they pay through personalized quarterly payments directly to the IRS. They will not need to fill out a W-4 form as they are not considered employees of your company.

For more information about the employer's role in federal withholding from employees' wages, please reference the Employer's Tax Guide ("Circular E"), provided by the Department of Treasury and the Internal Revenue Service.





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## ILLINOIS INCOME TAX FORMS

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In addition to federal income tax being withheld from employee paychecks, taxes for the state of Illinois will also be withheld. This action requires a separate set of paperwork to be filled out by the employee and employer.

Firstly, the employee must fill out the IL-W-4 Form, which is the Illinois state tax form. This form allows the employee to designate how much income tax should be withheld at the state level. This form must be filled out on or before the first day of employment and can be updated as the employee's tax situation changes.

The form asks for information such as the employee's name, Social Security number, filing status, and the number of allowances that are being claimed.

The employer will then fill out the Illinois Withholding Income Tax Return (IL-941 Form) which reports the employee's state income tax withholding, unemployment insurance, and Illinois State Disability Insurance (SDI).

Another important note is that Illinois has reciprocal agreements with the following neighboring states:

- Iowa
- Kentucky
- Michigan
- Wisconsin

If an employee is a resident of one of these states and works in Illinois, they will need to complete an IL-W-5-NR Form, which is a statement of nonresidence. This will alert the employer that Illinois income tax should not be withheld from their paycheck since the employee is not a resident.

Like federal income tax withholding forms, you should encourage employees to fill out a new form as life changes like marriage and children can change the allowances claimed.

## EMPLOYEE FILES

Illinois employers are required to maintain certain employment records for all employees. These records must be accurate, complete, and kept confidential.

Some of the required files include:

- **Personal information:** Employers must keep a record of each employee's name, address, Social Security number, and date of birth.
- **Employment information:** Employers must keep a record of each employee's job title, date of hire, rate of pay, and hours worked.
- **Tax withholding:** Employers must keep a record of each employee's federal and state tax withholding, as well as any other deductions such as Social Security and Medicare taxes.
- **Leave and benefits information:** Employers must keep a record of each employee's vacation, sick leave, and other benefits.
- **Performance evaluations:** Employers may choose to keep records of each employee's performance evaluations.
- **Separation records:** Employers must keep records of the dates of separation and the reasons for separation for each employee who leaves the company.

Depending on the nature of the employer's business and other employee-specific circumstances, other forms may also be required to be kept on file. For a full list of required files and other record-keeping obligations, please consult the Illinois Department of Labor.





## EMPLOYEE TRAINING

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Besides required paperwork, thorough employee onboarding also plays an important role in employee retention. Ensuring employees start on the right foot and are familiar with all company policies and procedures from the get-go helps build company culture. One of the cornerstones of this thorough onboarding process includes employee training.

Quality training can help an employee better grasp what policies they should follow, what their specific responsibilities are, and how to leverage tools and technology to help them in their role.

Consider having your employees complete these training modules:

### **Company-Policy Training**

Employers should provide new employees with everything they need to know about their new company and their role within it. This can include FAQs that address common new-hire concerns such as:

- Hours
- Breaks
- Sick leave and PTO
- Performance evaluation procedures

They should also have access to important information such as:

- The company's mission and vision statements
- A description of the company's culture
- Benchmarks for employee conduct
- The legal responsibilities of the employer
- Your company's benefits package

This type of information is best provided in a handbook to be given to the new employee. This handbook should also contain an acknowledgment of receipt form that should be signed and included in the employee's file.

## Benefits-Package Training

Benefits can be one of the most overwhelming and confusing parts of the onboarding process. You can provide clarity in this murky area by offering training specifically tailored to understanding the subtle differences between benefits packages. This can be in the form of a training video or a go-to reference document. It should include the following:

- Life and health insurance plans
- Vision and dental plans
- Stock options (if applicable)
- Professional development opportunities
- Physical wellness programs (if applicable)

Once the employee has reviewed the benefits-package resource, obtain a receipt of acknowledgment and keep it in the employee's file.

## Department-Specific Training

Not only should new employees know the company as a whole, but they need to also be oriented to their role in their specific department. Encourage team leaders to help new hires review the expectations of their department and provide resources to help them succeed in their new roles. They can also introduce the new hire to all current team members to open the line of communication between them right away.

## Technology Training

In this day and age, technology is inescapable no matter what industry you're in. That's why new employees must understand the various technologies they will be using in their role. Your company's IT department should offer new-hire training on the company's specific technology platforms (i.e., particular software or hardware, the company email system, time-tracking system, etc.). This training should also review how to troubleshoot problems should they arise.

Be sure to also go over your company's acceptable use of technology policies and get any signatures needed to ensure they understand and will comply with them.



## Harassment Training

While these are just suggestions for training you should provide new hires, the state of Illinois also has required training that you are obligated to provide every employee.

Illinois' ALERT on Sexual Harassment Prevention Training Law requires all employers to provide sexual harassment prevention training to all employees on an annual basis. This law also states the Illinois Department of Human Rights will develop a model training program that can be used by employers.

If employers develop their own training program, they must ensure that the program meets or exceeds the minimum standards for sexual harassment prevention training as outlined in Section 2-109(B).

## Mentorship Programs

The workplace is an increasingly collaborative environment in just about every industry. That's why new employees must be provided with support that will help them be functioning parts of the team as quickly as possible. One of the best supports you can provide is assigning each new employee a mentor from day one.

A mentor is another staff member who partners with a new employee for the first few months of employment. This mentor should not only be high-functioning and experienced in your company, but they should also embrace and embody your company's culture and vision as well.

When choosing a mentor, you should evaluate their communication skills and interpersonal intelligence. As an employer, it is up to you that you choose the right kind of mentor that will help support new employees and help them find their footing quickly.

A mentor can wear many hats for a new employee. Some of their responsibilities include:

- Answering new employee questions and setting expectations for training
- Reviewing job responsibilities and providing samples or models of required tasks
- Observing new employee approaches to work duties and providing continual feedback
- Providing frequent opportunities to practice new skills to enhance employee performance

As new employees acclimate, the presence of the mentor should slowly be phased out to create an independent employee who is confident in their new role.

## Human Resources Best Practices

The success of a company is driven by the quality of an HR department. HR takes care of everything from recruitment and onboarding to employee retention and advocacy. To make success a little easier, here are some best practices you should follow as an HR department:

### Best Practice #1: Don't Ignore Your Public Image

In today's workplace, your company's public image often boils down to your company's website and social media presence. Make sure these places showcase what makes your company unique and how hard your team works. Talent interested in your company will most likely visit one of these technology hotspots first, so make sure you are making the right kind of impression.

### Best Practice #2: Revisit Your Language

Make sure that your job descriptions, job postings, and interview questions all align with who you are as a company. Make sure your language appeals to your ideal audience and the talent you want to draw in. Continuously tweak these items until you're getting just the right candidate to turn in their resume.

### Best Practice #3: Send an Offer Letter

When you've found the perfect candidate, send them an offer letter that outlines the employee's new role and specific expectations and responsibilities within that role. Since this is one of the first communications the employee will receive from your company, make sure it also reflects your personality and culture by including more personal information such as company anecdotes and upcoming opportunities for bonding and socializing.





#### Best Practice #4: Celebrate New Hires

Employee recognition is as important on day one as it is in year 20. Send the new hire a company information packet as soon as the contract is signed. Consider including useful company swag to make them look the part, too. Announce their arrival to the whole company and encourage all to welcome them aboard. Make them feel confident that they chose the right workplace from the very beginning.

#### Best Practice #5: Clarify Important Policy

As Brene Brown said, "Clarity is kind." Especially when it pertains to important policies that can impact an employee's status. Make sure all company policies are clear and understood and that both employer and employee are on the same page at all times.

#### Best Practice #6: Create a Path Forward

Once you get the best candidate in your door, you want them to stay, of course. One of the best ways to retain employees is by creating a professional path for them to follow as they move up the ranks over the years. Help new employees set goals for themselves and their performance and provide timely and constructive feedback about how they are working toward them.





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