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**ONBOARDING GUIDE  
FOR INDIANA EMPLOYERS**



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## INTRODUCTION

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Your business is getting more business! Congratulations! Business expansion can be an exciting time, but it can also be a confusing one, especially the process of how to legally hire new team members and retain them.

Indiana law mandates that all employers must know and follow the state's employment requirements. This involves providing new hires with the required federal and state forms as well as important company information, necessary training, and professional resources. Any forms completed during this onboarding process must be compiled and safeguarded in the event of a government audit.

Review the guide below for more information on what the new-employee onboarding process looks like through the lens of the employer. Here's to the future of your growing company!



## EMPLOYMENT ELIGIBILITY VERIFICATION (I-9 FORM)

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Issued by the U.S. Citizens and Immigration Services and the Department of Homeland Security, the I-9 Form is the most crucial form you must complete for new employees (on or before the first day of employment). Completion of the I-9 Form enables employers to first verify the identity of the new hire. This involves collecting a copy of the employee's passport or a two-part combination of a driver's license, social security card, or birth certificate. There are other acceptable forms of identification, but the aforementioned are the most commonly provided.

The second function of the I-9 Form is to authorize the employment of each new hire by attesting that the new employee falls into one of the following categories:

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

If you are a state agency or federal contractor, you will have the added benefit of using the E-verify system, which Indiana adopted in 2011. The E-verify system allows the employer to cross-check the information provided in the I-9 Form with a database of government records to ascertain legitimacy. You should check if your company qualifies for the E-verify system and move forward with the registration process if you do.



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

The W-4 form is an onboarding staple most employees have filled out in various positions over the years. As an employer, you must understand what the form is and why it is essential for new hires to complete it.

Also called the Employee's Withholding Allowance Certificate, a W-4 Form is essentially a communication tool between yourself, the new hire, and the Internal Revenue Service. Luckily, the W-4 form received a new look in 2020; with only five sections instead of seven, the modernized W-4 is more accessible and user-friendly for employees.

Before their first day of work, employees must fill out this new W-4 form, which tells you (the employer) the exact amount of federal income tax to withhold from their paycheck. This amount changes if a person is married or has dependents (typically children).

The tax that is withheld from the employee's paycheck is then forwarded to the IRS. This is the IRS's way of receiving their expected tax payment, just in smaller chunks throughout the year. The more an employee sends to the IRS out of each paycheck, the greater his or her tax refund is likely to be. Encourage employees to use a Tax Withholding Estimator to ensure they are withholding the correct amount per pay.

You should also encourage your employees to resubmit the W-4 form annually or when an employee's situation changes, such as with a marriage or the birth of a child. The employee may even wish for more to be withheld per pay if the tax bill was too high at the end of the year.



If an employee encounters an unanticipated, large tax bill, it could be that he or she did not withhold the proper amount per pay. The employee may ask you, the employer, for assistance in filling out a new one. You should direct them to resources like the [frequently asked questions](#) page on the IRS website or to consult a tax adviser for input. You should not, however, give the employee the council yourself. It is the sole responsibility of the employee to fill out the form.

If the employee [neglects to fill out the W-4 form](#), you are still required to withhold money per pay. You must treat the employee as if he or she is a single filer, with no dependents and no other adjustments.

The exceptions to the W-4 process are [1099 workers](#), who are [independent contractors](#) and different from employees. This group does not typically pay income tax out of their pay but rather through personalized quarterly payments to the IRS. Since they are not employees, they are not required to fill out a W-4 form.

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.



## INDIANA STATE INCOME TAX WITHHOLDING (WH-4 FORM)

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In addition to the W-4 form, Indiana employees must also complete the [WH-4 Form](#), also known as the Employee's Withholding Exemption and County Status Certificate. It is how income tax is withheld at the state level.

This form must be completed by both resident and nonresident employees. Resident employees live and work in Indiana, whereas nonresident employees work in Indiana but live elsewhere. Indiana has a [Reciprocal Agreement](#) with five other states: Kentucky, Michigan, Ohio, Pennsylvania, and Wisconsin. If an employee lives in one of those states and works in another, then the employee will only be required to withhold income for the state of residence. This agreement helps avoid [double taxation](#).

The WH-4 form will first ask for the county of residence information. This is to determine the county's resident tax rate on employee earnings. Similar to the W-4 form, the WH-4 form also requires a list of exemptions, namely the employee, employee's spouse, and employee's dependents. Finally, the employee has the option to withhold an additional amount from the state or county. If an employee elects to do this, you, as the employer, are not required to withhold the amount. If you choose to do so, it must be submitted in tandem with the state and county tax withholding.

Encourage your employees to file a new WH-4 form if the number of exemptions changes, specifically if it decreases. The employee then has to refile a new form within 10 days.

The exception to the WH-4 process is for nonresident aliens, who are only permitted to claim one exemption on the form.

For more information about the employer's role in state and county withholding from employees' wages, please reference the [withholding instructions](#) provided by the Indiana Department of Revenue and the Taxpayer Service Division.

## EMPLOYEE FILES

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Each employee should have an employee file, created from the date of hire and containing all personnel documents related to the employee. Should your company face a lawsuit brought on by a former employee, your employee file could be used as evidence. Making sure employee files are thorough and accurate is one way to protect your company should an untimely lawsuit find its way to your doors.

Consider including the following documents in your employee files:

### **Initial Employment Documents**

The most important initial employment document you should put in your employee file is the personal information form. This form is your one-stop-shop for quick employee information. It contains information such as legal name, social security number, address and telephone number, and emergency contact information. You should also consider including the employee's employment record (i.e., start date, employment status, wage rate and frequency, etc.). As the employer, you can tailor the employee personal information form to best suit your needs.

A description of the employee's position and responsibilities, along with a copy of his or her job application, resume, and offer letter, is also important considerations for the employee file. Additionally, if you required the employee to sign a form acknowledging that he or she understood the employee handbook, include that in the employee file as well. These documents will serve as critical reference points in the event of termination, promotion, or lawsuit.

### **Federal, State, and Union Documents**

Copies of the I-9 Form, the W-4 form, the WH-4 form, and collective bargaining agreements are all traditional documents kept in an employee file. It's good practice to keep these updated yearly in the event of a government audit.

Additionally, many employers conduct state background checks on their employees, which can include identity verification, credit history, driving record, education confirmation, and criminal record. Background checks typically occur before the onboarding process, so make sure to retain a copy for the employee file once you've created it.



## Performance Documents

As an employer, you should evaluate the performance of your employees, noting strengths and weaknesses in the execution of their work. These evaluations should be kept in the employee file, along with any accolades the employee earns or grievances the employee receives, including reprimands given for employee misconduct. Additionally, consider adding any records of training programs the employee has completed. If you have a large number of employees, these performance reference points are a must-have for a quick refresher.

## Other Contractual Documents

Any other document where there is a written, contractual agreement between employer and employee should be included in the employee file. These could be sick-leave policy forms, non-compete agreements, confidentiality agreements, or technology-use forms. It could also be a signed form indicating termination from your company.



## EMPLOYEE TRAINING

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The goal of any employer should be to retain employees once they are hired. It helps to build a company culture of security and comfort. Once hired, employees should stick with you! To ensure that happens, proper employee training is essential.

Training an employee before starting a position has many benefits. It helps new employees:

- To better grasp what company policies they should follow
- To better understand their specific position's responsibilities
- To better master tools and technology of their new trade

Consider having your employees complete these training modules:

### Company-Policy Training

When a new employee is about to begin work, he or she only has a cursory understanding of your company from the interview and orientation. You need to bolster that understanding by first providing them with an accessible FAQs handout that addresses common new-hire concerns, like typical hours and breaks, sick leave and paid-time-off, or performance evaluations. This should be provided to them before their first day of work.

In addition to the FAQs handout, you should also provide the new hire with an employee handbook. While there are many formats for an employee handbook, most are electronic and include the following:

- Your company's mission and vision statements and general description of its culture
- Your benchmarks for employee conduct
- Your company's departmental procedures
- Your legal responsibilities
- Your company's benefits package

Once an employee has reviewed the company handbook, you should obtain a receipt of acknowledgment and keep it in his or her employee file. This document should contain a provision that states the employer may terminate employment for any reason that is not illegal. The document should also include a disclaimer that employees should keep themselves abreast of any new policy changes, which you should reflect in your electronic handbook. Both these sections on the sign-off form will help protect your company should any legal cases arise in the future.

## Benefits-Package Training

The world of insurance options can be overwhelming to a new hire, so make it easy for them 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 file.

## Department-Specific Training

The new employee should fully understand their job responsibilities before starting work. A team leader or departmental head should meet with the new hire and review departmental expectations and provide reference tools. This is also the time to introduce the new employee to other team members and establish open communication between them.

After the training and introductions, provide new employees with a reference document so that they have an accessible resource to reference later on.

## Technology Training

Most companies utilize technology distinct to their business, and new employees must understand the various technologies they will use 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.

Once the employee has been trained on the technology, obtain a receipt of acknowledgment and keep it in their employee file. There should be a section on the sign-off form which indicates that the employee understands and agrees to your company's [data privacy policy](#).

## Ethics Training

Having an established code of conduct for employees is essential for any business. Offer training to new employees that covers personal, professional, and legal expectations regarding behavior in the workplace. This training should review your company's policies on client privacy, diversity and inclusion, sexual harassment, and your overall company culture. The state of Indiana has specific [protocols for misconduct](#) in the workplace that you, as the employer, should understand.

Once the employee has completed your ethics training course, obtain a receipt of acknowledgment and keep it in the employee file.

## Mentorship Programs

No man or woman is an island, and new employees should not be made to feel that way. It's important to create departmental mentorship programs for new employees so that they have a support person who has literally walked in their shoes.

A mentor is another staff member who partners with a new employee for the first few months of employment. The mentor should be a high-functioning, experienced employee who expertly understands the finer details of the new employee's role and responsibilities as well as the company's overall culture and vision. The mentor should also have strong communication skills and interpersonal intelligence. As an employer, picking the right candidate for a mentor is an important responsibility as it will help ensure new employees perform well and are satisfied while doing it.

Here are the basic responsibilities of a workplace mentor:

- Answer new employee questions and set expectations for training
- Review job responsibilities and provide samples or models of required tasks
- Observe new employee approaches to work duties and provide continual feedback
- Provide frequent opportunities to practice new skills to enhance employee performance
- Slowly phase out mentor presence once a new employee is successfully independent

A mentorship program is the best way to retain employees because they feel supported from the very beginning.

## Human Resources Best Practices

From recruiting, to onboarding, to retention, to advocacy, a human resources team drives the success of a company. Here are the most important guidelines an HR team can follow to help a company navigate the bumpy waters of a thriving, bustling business.

### **Best Practice #1: Utilize Technology Hotspots**

Your company website and social media pages should reflect your business goals, but they should also showcase your unique culture, your hard-working team, and your overall values. Simply put, people want to work for good people. Interested prospects will access these technology hotspots first, so make a good impression!

### **Best Practice #2: Evaluate Your Wording**

Continually evaluate the efficacy of your job postings and interview questions. Take the time to make sure your job postings are worded in an inclusive way that appeals to the type of people you want working for your company. Additionally, before you ask candidates questions, you should ask yourself, "Are these interview questions truly reflective of what I want to know about this person?" Many times there is room for improvement, so take the time and space to do so.

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

Create an offer letter that reviews the new employee's role in the company, making sure to pinpoint specific expectations and responsibilities. However, do so with good nature, good humor, and goodwill. Include content like employee anecdotes, interesting hobbies, or entertaining company events. This will be one of the first communications they read after they unofficially accept the position. You want them to sign that offer letter with no regrets!



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

Celebrate your new hires! A welcome letter and company information packet should be sent as soon as the contract is signed. Announce to the whole company, "Here are our new hires! Welcome them!" Arrange an office tour and a meet and greet with current staff. These small gestures show new employees that they matter to your business in a big way. They will, in turn, feel emboldened and buoyed to work hard for you.

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

Policies that impact you as an employer are the same policies that impact your employees. Make sure the HR team is clear with new hires about maternity and paternity leave, remote work, paid-time-off, and bonus opportunities. It's good practice to recognize life beyond the desk.

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

Onboarding is more than just a training session and a good-luck wave. You want your employees to have a strong path forward, paved with sturdy first-day, first-week, first-month, and first-year bricks. Set clear goals and touch base often with new employees on how successfully they are meeting them. Communication is the gold standard in HR best practice.



# HOW ASAP PAYROLL CAN HELP

Are you looking for professionals specialized in payroll, time and attendance, and human capital management? At ASAP Payroll, we offer customized solutions to help your business navigate these issues. [Reach out to us](#) for a free quote and [subscribe to our newsletter](#) for tips on maximizing your productivity and ROI.

Contact Us

## Other Sources:

<https://www.valamis.com/hub/employee-onboarding>

<https://resources.workable.com/new-hire-training-checklist>

<https://www.pivotalolutions.com/mentorship-during-the-new-employee-orientation-process/>

<https://hires.shareable.com/blog/what-does-a-background-check-show>

<https://www.nolo.com/legal-encyclopedia/what-keep-employee-personnel-files-30240.html>

<https://www.rocketlawyer.com/business-and-contracts/employers-and-hr/company-policies/document/employee-handbook>

<https://elearningindustry.com/ethics-training-for-employees-ways-develop-effective>

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