

District as Employer

Overview

When a district hires an employee, the district is subject to the legal responsibilities of being an “employer.” There are a number of required personnel obligations and compliance requirements ranging from hiring practices to tax reporting. It is important to have well defined district policies and procedures, trained staff, and directors knowledgeable in personnel matters.

Key Points

Basic Legal Responsibilities

- Register as an employer
- State and Federal withholding tax
- Federal Medicare and Social Security taxes
- Unemployment tax
- Transit District tax
- Workers’ Compensation insurance
- Employment eligibility verification
- New hire reporting
- Year-end tax reporting responsibilities
- State and federal posting requirements

Additional Responsibilities of an Employer

- Understand and follow Oregon’s new equal pay and sick leave laws
- Maintain an updated Personnel Policy Manual
- Correctly classify and compensate employees
 - Exempt vs. non-exempt
- Adequate and appropriate supervision of employees
- Use SDAO services when considering personnel actions

Employee vs. Independent Contractor

- Common Law Rules – Three Categories:
 - **Behavioral:** Does the district control or have the right to control what the worker does and how the worker does his or her job?
 - **Financial:** Are the business aspects of the worker’s job controlled by the district?
 - These include things like how worker is paid, whether expenses are reimbursed, who provides tools/supplies, etc.
 - **Type of Relationship:** Are there written contracts or employee type benefits (i.e., pension plan, insurance, vacation pay, etc.)? Will the relationship continue and is the work performed a key aspect of the district?

Resources

SWCD Program Contacts:

Eric Nusbaum 503-510-8930
Sandi Hiatt 503-986-4704

Special Districts Association of Oregon
503-371-8667
<http://www.sdao.com>

Bureau of Labor and Industries (BOLI)
971-673-0761
<https://oda.fyi/BOLI>

Oregon and Federal Posting Requirements
(downloadable posters)
<https://oda.fyi/Posters>

Oregon Pay Equity Law
<https://oda.fyi/PayEquity>

Oregon Employment Department
503-947-1394
<http://www.oregon.gov/EMPLOY>

Internal Revenue Service
800-829-1040
Employee vs. Contractor Information
<https://oda.fyi/SelfEmployedOrEmployee>

Publication: *Employer’s Guide for Doing Business in Oregon*
<https://oda.fyi/EmployersGuide>

Oregon Department of Revenue
503-378-4988
Employer tax information
<https://oda.fyi/PayrollTaxes>