



## ***Do You Know How To Hire A Holiday Worker***

***Holiday worker. Backpacker. Overseas worker. However you define them, if you hire overseas holiday makers, there are tax rules and rates, employer obligations and visa checks you'll need to get signed off before you hire.***

When you hire people from overseas, the process is a little different from hiring Australian citizens and permanent residents. You can hire a non-citizen who already is in Australia with a visa, such as an international student or working holiday visa holder, or you can sponsor a skilled worker who lives overseas for a work visa on a permanent or temporary basis.

If you hire someone who holds the subclass 417 Working Holiday Visa or Subclass 462 Work and Holiday Visa, there are certain employer and tax obligations that apply.

### **Register**

If you plan to hire working holiday makers at the 15% tax rate, you need to register before you make your first payment to them, and also be registered for pay as you go (PAYG) withholding.

When you register, you'll need to provide your ABN, entity type and contact details. The ATO can issue penalties for failing to register. A tax agent will help you register and guide you through the process.

You can cancel your registration at any time.

### **Check visa**

You'll need to confirm that your holiday worker has a valid visa by using the Visa Entitlement Verification Online (VEVO) service. Your tax agent can do this for you and will verify the details of your potential employee.

### **Apply Tax**

Once you register, you must withhold 15% from every dollar your working holiday maker earns up to \$37,000. The tax rates change for amounts above this. If you haven't registered, you'll need to set aside 32.5% tax for income earned up to \$90,000 and use the foreign resident tax rates.