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 Doing business in Missouri: Hiring employees

## Doing business in Missouri: Hiring employees

*This publication is intended to serve as a reference document and in no way attempts to provide all the information necessary to hire employees. It is published with the understanding that MO SBTDC is not engaged in rendering legal, accounting or other professional services. The advice of an attorney and/or accountant should be sought before entering into any business activity or contract.*

For personalized information and assistance on hiring employees, please [locate a Missouri Small Business & Technology Development Center](#) or call 573-884-1555.

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At some point, most businesses are faced with the need to hire employees. This manual provides an overview of what is involved in hiring and paying employees.

Starting and operating a business involves a lot of paperwork. Hiring employees, rather than being a corporation with you as the only employee, multiplies the amount of paperwork you must complete.

Before you actually hire, we recommended you consult with your accountant or an employer service representative at your local Missouri Career Center at [JobsMo.Gov](#). To locate the nearest office, call 888-728-JOBS (5627) or visit [jobs.mo.gov/jobseeker/find-a-career-center](#).

Also recommended is the Missouri Department of Labor's *Resource Guide for Employers* ([labor.mo.gov/documents/4466-AI.pdf](#)).

You will also want to consult IRS Publication 15 (Circular E), *Employer's Tax Guide* ([irs.gov/pub/irs-pdf/p15.pdf](#)). Circular E explains federal tax withholding and Social Security tax requirements and contains up-to-date withholding tables to determine how much federal income tax and Social

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Security tax is to be withheld from each employee's paycheck.

## Tips on hiring

### Who are employees?

Individuals who work for you may be classified into one of four service provider categories:

- Employees
- Independent contractors
- Statutory employees
- Non-statutory employees

You are the service recipient. You receive the service or product and pay to have that service or product provided.

Your responsibility for payment of state, federal, Social Security (FICA) and unemployment tax and employee benefits depends on which category the workers fall under. Many companies, small and large, would prefer to hire some or even all workers as independent contractors. When an independent contractor provides a service or product, the service recipient does not have to withhold employment taxes, pay Social Security or unemployment tax.

The category into which workers fit, however, is determined by the conditions under which they work and the kind of work they do. You may not simply select a category and define them as you desire. Choosing the correct categories may be critical to the continuation of your business. The status of workers depends not on what the workers or service recipients want, but on what work is provided and under what conditions.

### Common law employees

A worker's status as an employee or independent contractor hinges on the right of the business to control the worker. Anyone who performs a service for wages is an employee if the employer can control what and how the work will be done.

For employment tax purposes, there is no distinction between classes of employees. Managers and other supervisory personnel are employees. An officer of a corporation is generally an employee, but a director is not. An officer who performs no services or only minor services and neither receives nor is entitled to receive any pay is not considered an employee.

### Independent contractors

Independent contractors are considered self-employed. As such, they are responsible for reporting their income and paying appropriate state and federal taxes. The hiring company is not required to pay benefits or worry about minimum wage regulations. All the hiring company must do is file federal income tax Form 1099 at the end of the year stating the amount paid to independent contractors during that year. Companies also hire independent contractors to save the cost of bookkeeping associated with those taxes.

People such as lawyers, contractors, subcontractors, public stenographers and auctioneers who follow an independent trade, business or profession are generally not employees. The final status determination depends upon the facts of each case. The general rule is that an individual is an independent contractor if the payer has the right to control or direct only the *result* of the work and not the *means and methods* used to accomplish it.

The Internal Revenue Service, as part of a program to collect proper taxes, has actively investigated and prosecuted cases where individuals are improperly classified as independent contractors.

No single factor or group of factors can be taken as conclusive evidence of the presence or absence of control. To determine a worker's status, all factors must be evaluated. The weight given to individual factors is not equal, and some factors may not apply to certain occupations. Obtaining determination as an independent contractor can be very difficult.

More on this topic, including a list of 20 factor or tests used by the IRS to determine whether a person is an employee or independent contractor, can be found in the article [20 ways to tell a contractor from an employee](#).

### **Statutory employees**

Certain categories of workers are treated, by statute, as employees:

- Any agent or commission driver who distributes food products (other than milk), or laundry for his or her principal
- Full-time traveling salespersons soliciting orders for wholesales, retailers, contractors or operators of hotels, restaurants or similar establishments
- Full-time life insurance agents whose principal business activity is selling life insurance or annuity contracts
- Individuals who work at home on materials or goods supplied by the employer that must be finished to the employer's specifications and must be returned to an employer or person named by an employer.

Statutory employees must perform substantially all services personally, have no substantial investment in facilities (other than transportation) and perform services in a continuing relationship.

### **Statutory non-employees**

There are two categories of statutory non-employees: direct sellers and licensed real estate agents. They are treated as self-employed for all federal tax purposes, including income and payment of taxes if:

- Substantially all payments for their services as direct sellers or real estate agents are directly related to sales or other input, rather than the number of hours worked.
- Their services are performed under a written contract providing they will not be treated as employees for federal tax purposes.
- Direct sellers include persons falling within any of the following groups:
  - Persons engaged in selling consumer products in the home or place of business other than in a permanent retail establishment.

- Persons engaged in selling consumer products to any buyer on a buy-sell, deposit commission or any similar basis prescribed by regulations for resale in the home or at a place of business other than a permanent retail establishment.
- Persons engaged in the trade or business of delivering or distributing newspapers or shopping news, including any services directly related to such delivery or distribution.

Direct selling includes activities of individuals who attempt to increase direct sales activities of the direct sellers and who earn income based on the productivity of their direct sellers. Such activities include providing motivation and encouragement; imparting skills, knowledge or experience; and recruiting.

Licensed real estate agents are individuals engaged in appraisal activities for real estate sales if they earn income based on sales or other output.

In the state of Missouri, the following jobs are exempted in Chapter 288 of the Missouri Revised Statutes from coverage of unemployment insurance and taxes:

- Certain for-hire motor carriers
- A worker in a beauty salon who does not receive compensation and pays rent
- A person under 18 who delivers newspapers
- Direct sellers delivering or distributing newspapers or shopping news
- A sole proprietor or partner's parents, spouse and children under 21
- Workers covered by the federal unemployment insurance system, including railroad workers and federal employees
- Service in the employ of an instrumentality owned by a foreign government
- Service in the employ of a foreign government
- Service covered by an approved agreement with an agency charged with administering any other state or federal unemployment insurance law
- Service by a student earning less than \$50 per quarter from the school, excluding room, board and tuition
- A licensed insurance agent remunerated solely by commission
- Certain subsidized employment programs
- Certain work-study programs
- A licensed real estate person with at least 80 percent of remuneration for services rendered; also not an employee for federal tax purposes
- Direct sellers of consumer products, not affiliated with a retail establishment, with at least 80 percent of remuneration services; also not treated as employees for federal tax purposes
- A volunteer research subject paid per study for scientific, medical or drug-related testing by certain organizations
- A full-time student working less than 13 weeks for an organized summer camp
- Remodeling salespeople acting as independent contractors as determined by the IRS.

There are additional exemptions for certain governmental and non-profit employers. For more information or a specific determination refer to Chapter 288 of the Missouri Revised Statutes at [moga.mo.gov/statutes/statutes.htm](http://moga.mo.gov/statutes/statutes.htm).

### **Employment and wages**

Reportable wages include gross cash payments plus the reasonable cash value of other goods or services, which the employee receives for work performed in lieu of money. The value of other considerations is excluded from wages with respect to domestic or agricultural employment. Bonuses, commissions, vacation pay, holiday pay and termination pay are wages. Only tips reported in writing by the employee to the employer are reportable and taxable. Allocated tips are not reportable or taxable. No payroll deductions are excluded from wage amounts reportable.

Amounts paid by the employee and/or employer into a cafeteria plan are not reportable or taxable unless they are reportable for federal unemployment tax (Section 288.036.1(9). Elective employee salary reduction contributions to cash or a deferred arrangement under Internal Revenue Code Section 401(k) are not exempt.

The law exempts payments made by an employer to or on behalf of a worker for medical or hospitalization expense or death, including payments made into a fund, annuity or for insurance for these purposes, provided such payments are made under a plan that applies to all workers or a class of workers. Payments made to an employee for sickness or disability would be wages unless made under a workers' compensation law. Such payments made by a third party may be reported as wages by the third party if no accounting of payments is made to the employer.

The law further exempts any payments due to sickness, accident, disability, medical or hospitalization expenses made by an employer to or on behalf of an individual after the expiration of six calendar months following the date an individual last worked, regardless if such payments were made under a plan or a workers' compensation law.

Wages do not include payments by an employer to or on behalf of an individual from or to a trust, described in U.S.C. 401(a) that is exempt from federal income tax under 501(a), or payments under or to an annuity plan that meets the tax exempt requirements of 404(a)2 of the Internal Revenue Code.

For more information, see the Missouri Division of Employment Security's *Employers' Rights and Responsibilities* at [labor.mo.gov/DES/Forms/M-INF-151-A1.pdf](http://labor.mo.gov/DES/Forms/M-INF-151-A1.pdf).

More on this topic can also be found in the article [\*20 ways to tell a contractor from an employee.\*](#)

## **Federal requirements**

### **Obtaining an Employer Identification Number (EIN)**

Every employer maintaining an office or transacting any business in Missouri and paying wages to a resident or nonresident must obtain an Employer Tax Identification Number, required by federal law if you are an employer, partnership, limited liability company or corporation. Some entities, such as financial institutions, also require a business to have an EIN.

You can apply for an EIN online at [irs.gov/businesses/small/article/0,,id=102767,00.html](https://irs.gov/businesses/small/article/0,,id=102767,00.html).

### **Withholding taxes**

Employers are generally required to withhold federal income, social security and Medicare tax from their employee's pay. Don't forget that you are not your own employee. Officers of corporations can be employees, but partners and sole proprietors cannot. Guaranteed payments to partners and draws of money from a business by the owners are not wages. Partners and owners are taxed on net profits, whether or not they draw out the money. They do not withhold taxes from these profits; instead, they make quarterly payments of estimated taxes on Form 1040-ES, *Estimated Tax for Individuals* at [irs.gov/pub/irs-pdf/f1040es.pdf](https://irs.gov/pub/irs-pdf/f1040es.pdf).

To withhold federal income tax properly from an employee's wages, employers need the information provided by the employee on form W-4 and information in IRS [Circular E, Employer's Tax Guide \(PDF\)](#).

### **Citizenship**

Under current federal law, all employees hired after November 6, 1986 must verify authorization to work in the United States. This applies to all employees, including an employee of a corporation.

Employers are required by law to complete the I-9 Employment Eligibility Verification Form for every employee. The form is simple and asks that you review a combination of documents (copy of birth certificate, passport or green card) that verify the employee's identity and right to work. For more information see [uscis.gov/sites/default/files/files/form/i-9.pdf](https://uscis.gov/sites/default/files/files/form/i-9.pdf).

### **Employee's withholding allowance certificate (W-4)**

Each employee must also fill out a Form W-4 ([irs.gov/pub/irs-pdf/fw4.pdf](https://irs.gov/pub/irs-pdf/fw4.pdf)) to have proper amounts of income tax withheld. If an employee does not fill out a Form W-4, the employer must withhold taxes as if the employee were single with no allowances.

Exemptions determine amounts not taxed on an income tax return. Withholding allowances determine amounts that decrease the tax withheld from wages. Withholding allowances claimed on the Form W-4 can be more or less than exemptions claimed on a tax return. Employers are not required to verify the accuracy of allowances claimed.

### **Social Security and Medicare taxes**

The Federal Insurance Contributions Act (FICA) is a federal system of old age,

survivors, disability and hospital insurance that dates from 1935. Social Security and Medicare taxes are levied on both the employer and employees. The combined rate for both taxes is 15.3 percent.

The employer must withhold and deposit the employee's part of the taxes and pay a matching amount. These taxes have different rates and only Social Security tax has a wage base limit. The wage base limit is the maximum wage subject to the tax for the year. The employer and employee tax rate for Social Security is 7.65 percent of employee wages. The wage base limit for 2013 was \$113,700.

The employee and employer tax rate for Medicare is 1.45 percent (2.9 percent total). There is no wage base limit for Medicare tax; all covered wages are subject to Medicare tax.

For more information on estimating taxes, see IRS Publication 505, *Tax Withholding and Estimated Tax* ([irs.gov/pub/irs-pdf/p505.pdf](http://irs.gov/pub/irs-pdf/p505.pdf)).

### **Unemployment insurance**

Most companies doing business in Missouri are required to pay unemployment insurance to protect their workers. The Missouri Division of Employment Security is the state agency responsible for the administration of the unemployment insurance benefit and tax program. The division is responsible for both workers and employers. The division strives to administer the employer tax provisions of the law equitably in accordance with the intent of the General Assembly of the State of Missouri. An effort is made to tax employers as little as possible while providing essential benefits to workers.

The reporting requirements of the Federal Unemployment Tax Act (FUTA) are similar to those of Missouri unemployment tax but not identical. Federal unemployment tax is administered by the Internal Revenue Service. Contact the IRS for information on your liabilities for federal unemployment tax at [irs.gov](http://irs.gov).

The Missouri Division of Employment Security uses form MODES-2699, *Report to Determine Liability Status* ([labor.mo.gov/DES/Forms/2699-5-AI.pdf](http://labor.mo.gov/DES/Forms/2699-5-AI.pdf)) to determine whether an employing unit is liable for state unemployment tax. An entity that employs workers is required to complete and return this form.

To establish liability an employing unit must meet one or more of the following criteria:

#### **1. General business employer**

- Having a total payroll of \$1,500 or more in a calendar quarter during either the current or preceding calendar year;
- Employing a worker for some portion of a day in each of 20 different weeks in either the current or preceding calendar year;
- Acquiring and continuing without interruption substantially all the business of another employer (applies to all types of employers);
- Being liable under the Federal Unemployment Tax Act and employing a worker in Missouri (applies also to agricultural and domestic employment).

## 2. Domestic employer

An employer of a domestic or household worker in a private home, college sorority or fraternity becomes liable when \$1,000 or more in cash wages are paid in a calendar quarter during the current or preceding calendar year.

## 3. Agricultural employer

An agricultural employer who, in all states combined, has 10 or more workers in 20 different weeks or pays \$20,000 or more in cash wages in a calendar quarter during the current or preceding year becomes liable to cover workers and pay unemployment taxes.

## 4. Nonprofit organization 501(c)(3)

A nonprofit organization described in 501(c)(3) of the Internal Revenue Code [irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Exemption-Requirements-Section-501%28c%29%283%29-Organizations](http://irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Exemption-Requirements-Section-501%28c%29%283%29-Organizations) becomes liable if it employs four or more workers for some portion of a day in 20 different weeks during the current or preceding calendar year in Missouri.

## 5. Government employer

A governmental entity is liable when it employs a worker regardless of the amount of wages paid or number of weeks workers are employed.

## Records

Employers must keep records for at least three calendar years, as well as the current incomplete calendar year. The records must show the following information for each worker:

- Name and Social Security number
- Dates a worker was hired and separated
- Dates on which a worker performed some services
- The location where services were performed
- The amount of remuneration paid each worker
- The hours of each day in each pay period an individual worked in non-covered employment, and the nature of the work
- Wages, including commissions, bonuses, prizes and gifts. Also, tips received by a worker from persons other than employer, if such tips are reported to the employer for Social Security purposes.

## Posters

Each employer is required to post and maintain a placard, "Notice to Workers Concerning Unemployment Benefits." This notice should be placed in locations visible to all workers. Workers who do not have access to the posters should otherwise be notified of their unemployment insurance coverage. The pamphlet *Information for Workers* should be given to a worker when separated from employment. Posters and pamphlets are available from [labor.mo.gov/div\\_pubs\\_forms.asp](http://labor.mo.gov/div_pubs_forms.asp).

For more information, see the Employment Security website at [labor.mo.gov/DES](http://labor.mo.gov/DES) or the booklet *Employers' Rights and Responsibilities* at [labor.mo.gov/DES/Forms/M-INF-151-AI.pdf](http://labor.mo.gov/DES/Forms/M-INF-151-AI.pdf).

## State requirements

## New hire reporting

All employers in Missouri must report each newly hired employee to the Department of Revenue within 20 calendar days of hire. Employers may choose the form they use to report new hires. Employers should send a copy of Form MO W-4 to the Department of Revenue [dor.mo.gov/forms/MO-W-4\\_2013.pdf](http://dor.mo.gov/forms/MO-W-4_2013.pdf).

*Note: "Date of hire" is defined as the earlier of the date the employee signed the W-4 form, or the first date the employee reports to work, or performs labor or service.*

Employers may use one of the following reporting methods:

- E-file at [dor.mo.gov/personal/electronic.php](http://dor.mo.gov/personal/electronic.php)
- Mail the W-4 or equivalent form to:  
Missouri Department of Revenue  
PO Box 3340  
Jefferson City MO 65105-3340
- Fax copies to 573-526-8079.

An employer who intentionally fails to submit information on an employee is guilty of an infraction and shall be fined not more than \$25. If the failure to report is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report, the fine is \$350 for each failure to report or each false or incomplete report.

## Withholding taxes

Every employer maintaining an office or transacting any business in Missouri and making payment of wages to a resident or nonresident individual must obtain a Missouri Employer Tax Identification Number (MO Revenue Form 2643: [dor.mo.gov/forms/2643.pdf](http://dor.mo.gov/forms/2643.pdf)). State tax is then withheld from employees' payroll and remitted to the Missouri Department of Revenue. For more information see [dor.mo.gov/business/withhold](http://dor.mo.gov/business/withhold).

Employers file income tax withholding returns on form MO 941 (*Employer's Report of Income Taxes Withheld* [dor.mo.gov/forms/MO-941\\_2013.pdf](http://dor.mo.gov/forms/MO-941_2013.pdf)).

Employers also file an Employer's Annual Reconciliation Report of Income Tax Withheld by January 31 of the year following the reporting year. The form is supplied by the Department of Revenue ([dor.mo.gov/tax/business/withhold/forms](http://dor.mo.gov/tax/business/withhold/forms)).

You may file your withholding taxes by mail or electronically.

The amount of withholding is based on the employee's marital status, withholding exemptions and wages, including reported tips, during the payroll period. Employers must obtain a MO W-4 (Missouri Employee's Withholding Allowance Certificate) from each employee when work begins. Employees who do not complete the form are subject to withholding at the rate for single persons with no exemptions. Employees are entitled to the same number of personal and dependent exemptions on the state level as they are for federal withholdings.

Employers are required to keep records for all employees, including their

names, addresses, Social Security numbers, period of employment, dates and amount of wages subject to withholding.

In addition to state income tax withholdings, some municipalities impose an earnings tax on wages, salaries or other remuneration on both residents and nonresidents working in the city.

To register with the Missouri Department of Revenue and receive an employer withholding tax number, complete Form 2643 (same form to obtain a sales tax number and a corporate income tax number: [dor.mo.gov/forms/2643.pdf](http://dor.mo.gov/forms/2643.pdf)).

The Department of Revenue's *Employer's Tax Guide* includes dates, instructions and reporting forms: [dor.mo.gov/pdf/4282.pdf](http://dor.mo.gov/pdf/4282.pdf).

## Workers' compensation

Any businesses with five or more employees (except agricultural or domestic labor) must provide workers' compensation insurance to protect their workers in case of job-related injury, illness or death. Construction companies need workers' compensation insurance if they have one or more employees. Companies can offer this protection through a private insurance carrier or they can become self-insurers. Premium rates vary, depending on the risks associated with special occupations. As in most states, the premium rates are determined by an employer's total annual salary. The maximum weekly benefit for temporary total disability, temporary partial disability, permanent total disability and death is currently computed as  $66 \frac{2}{3}$  percent of the average weekly wage. Missouri's workers' compensation rates compare favorably with those in other states. Though benefits for claimants in other states usually increase automatically from year to year, in Missouri benefits cannot be increased without the review and approval of the state legislature.

Failing to insure your obligations may result in a fine of \$10,000 and/or confinement. The article below will provide some basic information regarding workers' compensation. For more information regarding fraud and non-compliance, call 800-592-6003.

The workers' compensation system is a statutorily created, state administered, no-fault program which constitutes an injured employee's sole remedy against an employer for work-related injuries, thereby protecting the employer from tort liability. The system is not intended to constitute a form of general health insurance. The system exists to compensate employees who are injured, or who contract occupational diseases, which arise out of and in the course of employment. The law is liberally construed to bring the largest possible class of employers, employees and injuries under its provisions.

There is no limitation as to the kinds of injuries or diseases that might warrant compensation. The term "injury" may include lacerations, contusions, fractures, strains, certain occupational diseases, repetitive motion injuries, some heart attacks and mental injuries, injuries as a result

of exposure to fumes or weather, injuries that occur as a result of misbehavior such as intoxication or altercations among employees and sexual assault. With few exemptions, most kinds of businesses are subject to this law. Consider the following questions to better understand coverage principles:

*Will my business be subject to the law?*

Every employer with five or more employees regularly employed is under the workers' compensation law. The law applies equally to hazardous and non-hazardous employment in businesses operated for profit, corporations, partnerships, joint ventures and sole proprietorships. The only employment exempted, regardless of the number of workers, are farm labor, domestic servants in a private home or occasional labor performed for, and related to, a private household. Those exempted employers with less than five employees may elect to come under the law or may become subject to the law by purchasing workers' compensation insurance. The wisest course is to assume that this law applies to your business.

By law, every employer must purchase and maintain valid workers' compensation insurance coverage or qualify as a self-insurer, either individually or as a member of a group. To be self-insured, state approval must be obtained. An employer who has not demonstrated the necessary qualifications and obtained the requisite approval to be self-insured is considered to be "bare" regardless of the employer's actual financial ability to pay claims.

*What happens if one of my workers is injured and my business does not have workers' compensation insurance?*

An injured employee has a right to either pursue the workers' compensation remedy or to file a civil suit for damages. If the latter course of action is taken, the employer may not interpose defenses such as negligence of a fellow employee or the employee's contributory fault. If the employee elects to pursue a workers' compensation claim, the law provides that all compensation shall be immediately computed and payable and the award can then be certified as a judgment and the employer's assets attached.

*What if I decide I do not want to continue workers' compensation insurance and my business is small enough that I do not have to have coverage?*

If an employer chooses to accept the law, that acceptance remains in force until that acceptance is withdrawn through a formal filing with the Division of Workers' Compensation. Any employer who is eligible to discontinue coverage must notify the state of such action.

*Who must the business count as an employee?*

Any employee who collects a salary or wages for services performed must be considered an employee. This definition may also include volunteer workers. Partners and sole proprietors are not counted as employees. If performing

actual services for the business, executive officers are considered employees.

It is not necessary that all employees be counted at the same moment in time. Employees employed on a staggered basis, but employed to work on a single project, may be counted to determine whether the business has, or had, five or more employees "regularly employed."

*Can my business avoid being under the law by using independent contractors?*

Using contractors to avoid workers' compensation exposure is not advised.

There is a provision in the law intended to prevent this practice. This provision creates "statutory" or presumptive employment in circumstances where a business contracts to have work performed that would otherwise constitute the normal course of the work for that business. A "statutory employer" becomes liable to provide workers' compensation benefits to uninsured subcontractors or their employees. Although this provision primarily affects the construction industry, it applies to all employers with the exception of landowners who are having improvements erected, repaired, altered or demolished. It is significant to note that the term "employee" is very liberally construed under state workers' compensation law and the division would consider many individuals to be employees of a business even though they might be accepted as independent contractors by other agencies.

*If my business comes under the law, am I safe from civil suits if an employee is injured?*

It is usually the case that if workers' compensation jurisdiction applies, the employer cannot be sued under civil law, directly or indirectly. However, there are a few exceptions:

- Intentional torts such as an assault
- Where the employer leaves the role of employer and steps into the role of co-employee and while working in that capacity causes injury. The employer or an individual manager may then be subject to suit and the employer's insurance coverage may not apply.

Missouri courts have allowed only a few exceptions to the rule of "exclusivity" and the fact of workers' compensation jurisdiction affords the business immunity from a civil judgment for damages on account of a work-related injury.

Every business must be cognizant of workers' compensation liability. No business can avoid exposure to the costs of work-related injury and even those businesses sufficiently small not to come under the law should seriously consider electing workers' compensation coverage since liability for work-related injury or disease exists even in the absence of workers' compensation jurisdiction.

*The information in this the article above is attributed to James B. Kennedy,*

*appeared in the St. Louis Business Journal and is included with their permission.*

You can obtain further information from the Missouri Division of Workers' Compensation at [labor.mo.gov/dwc](http://labor.mo.gov/dwc).

## Occupational Safety and Health Act (OSHA)

All employers must furnish a place of employment free from recognized hazards causing or likely to cause death or serious harm to employees. Employers must comply with occupational safety and health standards issued under the Act.

Employees must comply with all occupational safety and health standards, rules, regulations and orders issued under the Act that apply to their own actions and conduct on the job.

The Act requires that a representative of the employer and a representative authorized by the employees be given an opportunity to accompany an OSHA inspector. Where there is no authorized employee representative, an OSHA compliance officer must consult with a reasonable number of employees concerning safety and health conditions in the workplace.

Employees or their representatives have the right to file a complaint with the nearest OSHA office requesting an inspection. If they believe unsafe or unhealthful conditions exist in their workplace, OSHA will withhold, on request, names of employees complaining. The Act provides that employees must not be discharged or discriminated against in any way for filing safety and health complaints or for otherwise exercising their rights under the Act.

If upon inspection OSHA believes an employer has violated the Act, a citation alleging such violations will be issued to the employer. Each citation will specify a time period within which the alleged violation must be corrected. The OSHA citation must be prominently displayed at or near the place of alleged violation for three days or until it is corrected, whichever is later, to warn employees of these dangers.

The Act further requires mandatory civil penalties against employers of up to \$7,000 for each serious violation and optional penalties of up to \$7,000 for each non-serious violation. Penalties of up to \$7,000 per day may be proposed for failure to correct violations within the proposed time period and for each day the violation continues beyond the prescribed abatement date.

Free assistance in identifying and correcting hazards and in improving safety and health management is available to employers, without citation or penalty, through OSHA-approved Missouri Department of Labor on-site inspections: [labor.mo.gov/DLS/WorkplaceSafety/free\\_onsite\\_sharp.asp](http://labor.mo.gov/DLS/WorkplaceSafety/free_onsite_sharp.asp).

Additional information and copies of the Act, specific OSHA safety and health standards and other applicable regulations may be obtained from [osha.gov](http://osha.gov).

If you are a small business subject to OSHA regulations, the OSHA Small

Business Handbook will give your business the information it needs to comply with federal occupational safety and health law: [osha.gov/Publications/smallbusiness/small-business.html](http://osha.gov/Publications/smallbusiness/small-business.html).

## Other helpful assistance and information

### IRS assistance and publications

The IRS ([irs.gov](http://irs.gov)) provides a great deal of helpful information and assistance to small business owners. A variety of forms, publications and tax information can be found at [irs.gov/Forms-&-Pubs](http://irs.gov/Forms-&-Pubs).

*Businesses with Employees* ([irs.gov/Businesses/Small-Businesses-&-Self-Employed/Businesses-with-Employees-](http://irs.gov/Businesses/Small-Businesses-&-Self-Employed/Businesses-with-Employees-)) is especially helpful with respect to employee issues.

You can also obtain [Circular E, Employer's Tax Guide \(PDF\)](#), which explains federal tax withholding and Social Security tax requirements for employers, with up-to-date withholding tables to determine how much federal income and Social Security tax is to be withheld from each employee's paycheck.

### Assistance to employers

The Missouri Department of Labor and Industrial Relations offers other assistance to employers and employees. The network of workforce development offices provides a complete labor exchange that includes a computerized job bank, applicant recruitment, selection and referral, labor market information, latest placement methods, testing and other assisted services. Missouri Career Source ([jobs.mo.gov/jobseeker/find-a-career-center](http://jobs.mo.gov/jobseeker/find-a-career-center)) provides current information pertaining to employment opportunities in Missouri as well as information on labor, employment, education/training, labor market information and other programs and services related to employment and training.

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