
Checklist for Iowa Agricultural Employers

Many Iowa farmers and other agricultural employers are not familiar with policies and procedures to be considered when hiring employees. This checklist is an overview of points to consider in preparation for hiring one or more employees for a farm operation. References and contact information are provided for most of the topics listed. Please do not consider this checklist to be exhaustive, as it is impossible to list everything an employer should know to comply with state and federal laws. Over time, this checklist will become outdated as laws and requirements change.

This checklist should not be considered legal advice, but merely a resource guide. Consult with personal qualified tax, accounting, insurance and legal advisers as they will be familiar with the farm business, and can provide expert advice on specific needs. Also consult with state and federal officials who will be familiar with changes in laws and requirements.

Review Farm Needs and Hiring Practices

Considerations before starting the hiring process

- Purdue University Extension – [Developing and Implementing Sound Hiring Practices](http://extension.purdue.edu/extmedia/EC/EC-670.html), extension.purdue.edu/extmedia/EC/EC-670.html
- University of Vermont – [Agricultural Labor Management](http://www.uvm.edu/extension/agriculture/agricultural_labor_management), www.uvm.edu/extension/agriculture/agricultural_labor_management
- University of California – [Practical Steps to Employee Selection](http://nature.berkeley.edu/ucce50/ag-labor/7labor/02.htm), nature.berkeley.edu/ucce50/ag-labor/7labor/02.htm
- [Ag Help Wanted: Guidelines for Managing Agricultural Labor](http://aghelpwanted.org) – a guidebook published by the Western Farm Management Extension Committee, aghelpwanted.org

Prepare Job or Position Descriptions

Conducting the job analysis, writing detailed descriptions of the position to guide the process of recruitment, interviewing, evaluation, and candidate selection

- Ag Decision Maker File C1-73 – [Farm Employee Management: Assembly of Job Descriptions](http://www.extension.iastate.edu/agdm/wholefarm/html/c1-73.html), www.extension.iastate.edu/agdm/wholefarm/html/c1-73.html
- Ag Decision Maker File C1-74 – [Farm Employee Management: Put Job Descriptions to Work on Your Farm](http://www.extension.iastate.edu/agdm/wholefarm/html/c1-74.html), www.extension.iastate.edu/agdm/wholefarm/html/c1-74.html
- Penn State Extension – [Job Description Generator](http://extension.psu.edu/job-description-generator-for-the-dairy-industry), extension.psu.edu/job-description-generator-for-the-dairy-industry
- University of Wisconsin Extension – [Writing Effective Job Descriptions](http://farms.extension.wisc.edu/articles/writing-effective-job-descriptions), farms.extension.wisc.edu/articles/writing-effective-job-descriptions
- Determine whether the position requires a Commercial Driver's License (CDL) license: [Iowa CDL In A Nutshell Booklet](http://iowadot.gov/mvd/CDL/CDL-Counter-Reference.pdf), iowadot.gov/mvd/CDL/CDL-Counter-Reference.pdf, or call Iowa Department of Transportation Information Center, 1-800-532-1121

Employee Policy Document or Handbook

Consider establishing written employee policies in a document or handbook for employees. This document should be reviewed by a legal professional familiar with human resource law. Do not negate the employment-at-will doctrine.

- Ag Decision Maker File C1-72 – [Farm Employee Management: Do We Need an Employee Handbook?](http://www.extension.iastate.edu/agdm/wholefarm/html/c1-72.html), www.extension.iastate.edu/agdm/wholefarm/html/c1-72.html
- Michigan State University – [Agriculture Employee Handbook Template](http://www.canr.msu.edu/resources/agriculture-employee-handbook-template), www.canr.msu.edu/resources/agriculture-employee-handbook-template

- University of Missouri Extension – [Missouri Farm Labor Guide](https://extension.missouri.edu/m199), extension.missouri.edu/m199
- University of Vermont – [Writing a Farm Employee Handbook](http://www.uvm.edu/vtvegandberry/factsheets/handbook.html), www.uvm.edu/vtvegandberry/factsheets/handbook.html
- University of California – Labor Management in Agriculture, [Personnel Policies and Handbooks](https://nature.berkeley.edu/ucce50/ag-labor/7labor/17.pdf), nature.berkeley.edu/ucce50/ag-labor/7labor/17.pdf

Recruit Candidates for the Position

Creatively recruit a pool of candidates using word of mouth, social media, print and broadcast, along with local or area agencies.

- Ag Decision Maker File C1-70 – [Farm Employee Management: Get the Right Start in Hiring Employees](http://www.extension.iastate.edu/agdm/wholefarm/html/c1-70.html), www.extension.iastate.edu/agdm/wholefarm/html/c1-70.html. Includes suggestions for farm employee recruitment.
- Contact [Iowa Workforce Development](http://www.iowaworkforcedevelopment.gov/), www.iowaworkforcedevelopment.gov/ or Local [IowaWORKS Centers](http://www.iowaworkforcedevelopment.gov/contact), www.iowaworkforcedevelopment.gov/contact
- [Employee Recruitment And Selection: How To Hire The Right People](http://www.uvm.edu/sites/default/files/employee_recruit.pdf), www.uvm.edu/sites/default/files/employee_recruit.pdf

Prepare for and Conduct Interviews

Using the job description as a guide, prepare for the interview by formulating a list of questions for the candidate.

- Ag Decision Maker File C1-71 – [Farm Employee Management: The Job Interview, and What Questions Can I Ask?](http://www.extension.iastate.edu/agdm/wholefarm/html/c1-71.html), www.extension.iastate.edu/agdm/wholefarm/html/c1-71.html
- [Farm Job Interview Question Guide](https://extension.missouri.edu/media/wysiwyg/Extensiondata/Pro/AgBusinessPolicyExtension/Docs/FarmLabor/FarmJobInterviewGuide.pdf), extension.missouri.edu/media/wysiwyg/Extensiondata/Pro/AgBusinessPolicyExtension/Docs/FarmLabor/FarmJobInterviewGuide.pdf, includes a list of questions to not ask!

Evaluate Candidates, Check References, Make Selection and Offer

Reflect on qualifications, assess or rank candidates, make and confirm a written employment offer with pertinent details.

- Ag Decision Maker File C1-75 – [Farm Employee Management: Evaluation and Selection of Job Candidates](http://www.extension.iastate.edu/agdm/wholefarm/html/c1-75.html), www.extension.iastate.edu/agdm/wholefarm/html/c1-75.html
- Consider background checks: Ag Decision Maker File C1-80 – [Farm Employee Management: Applicant Background Checks](http://www.extension.iastate.edu/agdm/wholefarm/html/c1-80.html), www.extension.iastate.edu/agdm/wholefarm/html/c1-80.html
- Penn State Extension – [Finding and Keeping Good Employees](http://extension.psu.edu/finding-and-keeping-good-employees), extension.psu.edu/finding-and-keeping-good-employees
- Confirm employment offer in writing (pay, benefits, hours, etc.)
- USDA National Agricultural Statistics Service - [Iowa Ag News - Labor](http://go.iastate.edu/LAB0DQ), go.iastate.edu/LAB0DQ, report on hired workers and wages

Federal and State Tax, Withholding Forms Obtain Federal EIN

(Federal Employer Identification Number)

- [Apply online](http://www.irs.gov/businesses/small-businesses-self-employed/employer-id-numbers), www.irs.gov/businesses/small-businesses-self-employed/employer-id-numbers
- Application for Employer Identification Number, [SS-4 Form](http://www.irs.gov/pub/irs-pdf/fss4.pdf), www.irs.gov/pub/irs-pdf/fss4.pdf
- IRS Phone: 1-800-829-4933

Register with Iowa Department of Revenue for business tax registration, govconnect.iowa.gov/tap/_/ or by phone, 1-800-367-3388

New employees complete both Federal and State W-4 forms for withholding (within 15 days)

- [Federal](http://www.irs.gov/pub/irs-pdf/fw4.pdf), www.irs.gov/pub/irs-pdf/fw4.pdf
- [State of Iowa](https://tax.iowa.gov/forms), https://tax.iowa.gov/forms (Search W-4)
- [Withhold](#) 6.2% (Social Security, OASDI) and 1.45% (Medicare) from employee's gross pay (Total 7.65%) and deposit employee's share withheld plus matching employer's contribution (total 15.3%) to local depositor bank with coupon book from IRS, www.irs.gov/taxtopics/tc751. Consult with your tax professional.

- [Iowa Withholding Tax](http://tax.iowa.gov/iowa-withholding-tax-information), tax.iowa.gov/iowa-withholding-tax-information
- [Iowa Withholding Tax Tables](http://tax.iowa.gov/withholding-tax-information), tax.iowa.gov/withholding-tax-information

Report new and rehired employees on the [Iowa Centralized Employee Registry \(CER\)](#), submit within 15 days of employee's start date, secureapp.dhs.state.ia.us/epay/ or 1-877-274-2580

Iowa Unemployment Insurance

Agricultural employers who paid cash wages of \$20,000 or more to agricultural laborers in any quarter of the current or previous calendar year, or employed 10 or more workers in some portion of a day in 20 separate weeks in the current calendar year or the preceding calendar year is a "liable employer" who is obligated to report wages and pay unemployment insurance taxes to the Iowa Workforce Development (IWD) Unemployment Insurance Tax Bureau.

- [Employer Handbook](http://workforce.iowa.gov/employers/unemployment-insurance/employer-handbook), workforce.iowa.gov/employers/unemployment-insurance/employer-handbook
- [Contact information](http://workforce.iowa.gov/contact/unemployment-help), workforce.iowa.gov/contact/unemployment-help
- [myIowaUI](http://www.myiowau.org/UITIPTaxWeb/uilogin.do), www.myiowau.org/UITIPTaxWeb/uilogin.do, unemployment insurance (UI) tax account. A new business fact sheet is provided with steps for setting up an account.

Complete Form I-9

Employment Eligibility Verification

Follow compliance procedures, maintain files separately from other human resource documents.

- Ag Decision Maker File C1-77 – [Farm Employee Management: Employment Eligibility Verification – the Basics of I-9 Compliance](#), www.extension.iastate.edu/agdm/wholefarm/html/c1-77.html
- [Obtain I-9 form with basic instructions](http://www.uscis.gov/i-9), www.uscis.gov/i-9
- US Citizenship and Immigration Services, articles, latest updates and forms – [I-9 Central](#), www.uscis.gov/i-9-central

- [Handbook for Employers on I-9 Forms](http://www.uscis.gov/i-9-central/form-i-9-resources/handbook-for-employers-m-274), www.uscis.gov/i-9-central/form-i-9-resources/handbook-for-employers-m-274

Posters

- [Obtain and display required posters](http://www.iowaworkforcedevelopment.gov/required-employer-posters), www.iowaworkforcedevelopment.gov/required-employer-posters
- Contact [Local Iowa Workforce Development Offices](https://workforce.iowa.gov/contact), https://workforce.iowa.gov/contact

Comply with Wage and Overtime Laws

- Minimum Wage = \$7.25 per hour ([state](#), workforce.iowa.gov/media/234/download?inline=, or [federal](#), workforce.iowa.gov/media/1047/download?inline=)
- Federal law requires overtime (1½ times regular rate) be paid for all hours worked over 40 in a workweek. Farm workers may not be subject to federal minimum wage or overtime rules if the worker is employed on a "small farm" (i.e., a farm that used less than 500 "man days" of farm labor in any calendar quarter of the preceding calendar year).
- Agricultural Worker general exemption from overtime: Consider whether the employee may be exempt from overtime pay requirements under Fair Labor Standards Act (FLSA). US Department of Labor, [Agricultural Employers Under the Fair Labor Standards Act \(DOL Fact Sheet #12\)](#), www.dol.gov/agencies/whd/fact-sheets/12-flsa-agriculture
- **Employee Misclassification:** Review guidelines regarding misclassification of workers as independent contractors rather than employees. Resources include the following: [US Department of Labor Guidance](http://www.dol.gov/agencies/whd/flsa/misclassification), www.dol.gov/agencies/whd/flsa/misclassification [Iowa Workforce Development Guidance](http://workforce.iowa.gov/employers/unemployment-insurance/misclassification-and-audit), workforce.iowa.gov/employers/unemployment-insurance/misclassification-and-audit Ag Decision Maker File C1-83 – [Risk Management Practices: Avoid Employment Pitfalls on the Dairy Farm](#) (discusses employee misclassification), www.extension.iastate.edu/agdm/wholefarm/html/c1-83.html. Or, view the [accompanying video](https://vimeo.com/287706873), https://vimeo.com/287706873

- [Iowa Wage Report](http://workforce.iowa.gov/labor-market-information/occupations/wage-report), workforce.iowa.gov/labor-market-information/occupations/wage-report
- Iowa Division of Labor, [Wage Frequently Asked Questions \(FAQs\)](http://www.iowadivisionoflabor.gov/idol/wage-hour/faq), www.iowadivisionoflabor.gov/idol/wage-hour/faq

Provide to Employee

- With each paycheck or pay deposit: Statement of earnings with the hours worked, wages earned and deductions made from the gross pay amount.
- W-2 form and copies by January 31 of the following year.

Workers' Compensation Compliance

In Iowa, workers' compensation is not required for:

- Agricultural employees whose employer has a cash payroll of less than \$2,500 in the calendar year preceding the injury; or
- The president, vice president, secretary, and treasurer of a family farm corporation and their spouses, and the parents, brothers, sisters, children, stepchildren, and their spouses of either the officers or their spouses.

- Otherwise, Iowa law requires agricultural employers to have a reliable method of providing workers' compensation benefits to eligible employees. *Consult with your insurance professional.*

Annually File the Following Forms

- [IRS Form W-3](http://www.irs.gov/forms-pubs/about-form-w-3), www.irs.gov/forms-pubs/about-form-w-3 – a summary of all W-2 forms with all “Copy A” of W-2 forms to Social Security Administration (SSA) by February 28.
- [IRS Form 943](http://www.irs.gov/forms-pubs/about-form-943), www.irs.gov/forms-pubs/about-form-943 – a summary of all agricultural wages and federal/SSA deposits by January 31.
- Additional forms and information available at: www.irs.gov.

Links accessed January 2024.

Additional information on human resource management can be accessed on the [Ag Decision Maker website](http://www.extension.iastate.edu/agdm/wdhumanresources.html), www.extension.iastate.edu/agdm/wdhumanresources.html.