

Employment Agency Contracts – Chain of On-hire Declaration

Note:

- An employment agency contract is a contract under which a person (employment agent) procures the services of another person (service provider) for a client of the employment agent. Such a contract could be formal or informal and could be expressly made or implied.
- A 'chain of on-hire' occurs when an employment agent on-hires a service provider to another employment agent who in turn on-hires the service provider to its client.
- Division 8 of Part 3 of the *Payroll Tax Act 2007* (the Act) imposes payroll tax on wages paid by employment agents to staff on-hired under employment agency contracts.
- Revenue Ruling PTA 027 states that where there is a chain of on-hire, the employment agent (Agent 2) closest to the ultimate client of the service provider is liable for payroll tax on the payment(s) made to Agent 1.
- This declaration is to be made by the employment agent (Agent 2) who is the closest to the ultimate client of the labour provided by the service provider. Please read Revenue Ruling PTA 027 carefully before completing this form.
- This declaration must be kept by Agent 1 for five years. Agent 1 must ensure that this declaration can be readily produced upon request by OSR.
- Under the anti-avoidance provisions in section 42 of the Act, the Chief Commissioner of State Revenue may impose a payroll tax liability on any party to the employment agency arrangement if this declaration is incorrectly made.

Legal name of the service provider
Legal name of the employment agent that has contracted with the service provider (Agent 1)
Legal name of the employment agent that has contracted with Agent 1 and will be further on-hiring the service provider (Agent 2)
Legal name of the client that has contracted with Agent 2 and will be the ultimate client of the labour provided by the service provider

Agent 2 declares to Agent 1 that (tick one of the following boxes):

Agent 2 is not liable for payroll tax, or

Agent 2 is liable for payroll tax and will pay the payroll tax liability that arises out of on-hiring (the worker) to our client.


I, (Agent 2 or Authorised Employee of Agent 2), being an authorised officer of Agent 2, certify that the information provided in this form is true and correct.

Signed (Employer, public officer or authorised person to sign)	Date / / Enter as day/month/year
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