CLEMSON
COOPERATIVE EXTENSION

FARM LABOR

DO WHAT YOU CAN TO HIRE THE RIGHT EMPLOYEES AND PREVENT ANY REGULATORY ISSUES

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Topics of Discussion

- Short Statement on Just Getting Started
- The Human Resource side of farming
- Contractor or Employee
- Hiring Process
- Forms
- Considering Guest Workers?
- *Taxes will be discussed where necessary as it relates to the specific topic being discussed.
- We will not have time today to get into the weeds, so consider this an overview that may require you to do some additional research.

Don’t just start on the right foot, use both!

JUST STARTING OFF

Getting Started

- Put a team together!
  - Legal (labor and liability, etc.)
  - Financial (including retirement and investment)
  - Lender (if needed)
  - Insurance (Farm, Liability, Property, Umbrella, Workman's Comp, Health, etc.)
  - Accounting, Tax, and Payroll professional
  - Production based expertise, such as those in Extension
- Create a proper Business Structure i.e. LLC
  - Have an operating agreement, proper Buy-Sell agreement, etc.
- Develop any needed contracts, do not rely on a handshake any more, this is for all parties protection.

Recordkeeping

- Get your house in order!
- Think of all the tasks that are normally needed and begin to build a recordkeeping management system to track what takes place!
- Daily Journal
  - What happens on a daily basis, i.e., planting, spraying, etc.
- Accounting
  - Use specialized agricultural accounting software that works for you! Take the time to use it! Follow through with Enterprise accounting measures!
- Production
  - Track acres, what is harvested from each field, quality, etc.
  - Track how much product leaves the farm, what is sold, what is trashed, lost, shrunk/shrink.
- Point of Sale i.e., Square or similar.
- Perform a financial analysis every year!
  - Balance Sheet (as of Dec. 31), Accrual Adjusted Income Statement, Develop true enterprise crop budgets, watch your cash flow and net worth.
- Taxes plays a significant role that you need to understand. If not, you may be creating problems within your accounting, become knowledgeable in taxes.
  - Capital purchase vs. Cash Expense, Capital Sale vs. Ordinary Income, Purchase for Resale, Depreciation, What is a Capital Asset, etc. Special rules for purchased feeder livestock, tax basis, etc.

What do you mean this is a hobby, I work my tail off.

ARE YOUR FARMING ACTIVITIES A HOBBY?

Are you a Farmer? Or Just a Hobby

- Just a note the following are not consider farms
  - Landscaping industry such as landscapers and others
  - Pet Kennels
  - Wineries

1040F Farmers must be:

- Made money in 3 of the last 5 years
  - For horse breeders it is 2 out of the last 7 years
- If the above cannot be met, you may be able to meet the definition of a farmer if the following can be proven
  - Operate the farm like a business
  - Make changes to increase profitability
  - Farming is your main source of income (i.e. vs. full-time off farm job)
  - Time and effort is substantial
  - Losses are beyond your control or part of the normal start-up costs
  - You have made a profit from similar activities in the past
  - Profitability is expected in the future from the appreciation of assets used in farming.
- If you can meet any of the previous you may be required by law to utilize a 1040F unless you are a corporation. But Facts and Circumstances will prevail.

A Hobby?

- Tax Cuts and Jobs Act of December 2017 says:
  - Sorry no deductions are allowed!
  - Revenue still must be reported and is taxable

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Something that most farmers are not very good at.

HUMAN RESOURCES

Human Resources Basics

- Have a formal employer/employee handbook
- Start by finding the right person to hire
- Proper on-boarding
- Follow proper procedures, laws and regulations
- Maintain regular feedback

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Employee Handbook

Have this formalized, use a labor attorney. There are some templates available to help you begin. The employee handbook should contain a min. of:

- Welcome, history, mission statement
- Business Policies, organizational structure
- Employee concerns/suggestions,
- Equal Opportunity Employment statement, attitude and team cooperation, animal care policies
- Alcohol and substance abuse policy, harassment in the workplace policy, smoking, personal phone calls and texting policies

Employee Handbook Continued

- Getting to work, company tools and equipment, company vehicle use, safety, handling visitors & customers, non-disclosure statement & information security
- Employee orientation and training, job descriptions, hours of work, overtime, attendance and tardiness, outside employment, working in poor weather conditions, vacations and holidays, employee pay information, leave of absences, employee discipline, job performance (and reviews), bonuses, raises, and promotions, workman’s comp
- Employee benefits: health, retirement, housing, etc.

Find the Right Employee

- Have a job description written.
- Look for employees through advertisement and recommendations
- Have a formal interview process
- Require an applications form and possible resume to be submitted with a cover letter
- Provide written and or oral exams
- Explain the rigors of the job and the expectations (be very clear)
- Show the candidate the workplace and introduce them to others they will be working under and with
- Start someone on a trial or temporary basis to see how they do before making an offer of a permanent job

Bringing in a New Employee

- Make sure all of the proper paperwork is completed!
- Provide proper on-boarding and training to the employee
- Introduce them to everyone they will be working with
- Provide them with the proper Personal Protective Equipment (PPE) if needed for the position
- Properly train them and test them on any equipment or machinery they will need to be using

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Build a Leader

- Provide feedback to the employee
  - What are they doing well, what needs to be worked on
- Have formal employee evaluations that are written and that you meet with the employee about, two a year (no less than one a year). New employees you may want to meet with much more regularly until they have been there a while.
- Provide continual training and education, send them to programs and other educational activities such as programs through local Cooperative Extension, etc.
- Request input from employees on any changes that may need to occur, or how tasks can be completed, etc.

The Wage Question: How much should I pay?

- Do you want a great employee or just a warm body?
- Is this a permanent position full-time? Seasonal? Permanent part-time?
- What benefits do you offer? Health Insurance, Retirement, Housing, vehicle, etc.? Any paid sick days or vacation time?
- What will the job duties be?
- What is the local going rate?
- How much experience does the candidate have?
- What wage laws do you have to follow?

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Gross Wage and Base Wage Rates by Type of Worker – Regions and United States: October 11-17, 2020

[Excludes agricultural service workers and Alaska]

Regions[1] and United States	Field workers: Gross wage (dollars per hour)	Field workers: Base wage (dollars per hour)	Livestock workers: Gross wage (dollars per hour)	Livestock workers: Base wage (dollars per hour)	Field and livestock combined: Gross wage (dollars per hour)	Field and livestock combined: Base wage (dollars per hour)	Wage rates for all hired workers: Gross wage (dollars per hour)	Wage rates for all hired workers: Base wage (dollars per hour)
Northeast I	15.32	15.20	14.92	14.84	15.20	15.10	16.16	16.06
Northeast II	14.56	14.37	13.42	13.37	14.25	14.10	15.34	15.21
Appalachian I	13.28	13.18	12.94	12.84	13.20	13.10	13.90	13.81
Appalachian II	13.11	13.00	13.22	13.13	13.15	13.05	13.70	13.61
Southeast	12.02	11.92	12.37	12.27	12.10	12.00	12.73	12.63
Florida	12.35	12.25	13.15	13.00	12.48	12.37	13.82	13.72
Lake	15.75	15.61	14.28	14.21	15.00	14.90	15.72	15.61
Cornbelt I	15.80	15.65	15.16	15.01	15.65	15.50	16.30	16.16
Cornbelt II	15.86	15.68	14.81	14.72	15.50	15.35	16.10	15.96
Delta	11.67	11.57	12.05	11.95	11.75	11.65	12.09	11.99
Northern Plains	17.04	16.85	15.52	15.43	16.45	16.30	16.83	16.69
Southern Plains	13.47	13.37	14.08	13.98	13.80	13.70	14.30	14.21
Mountain I	14.69	14.58	15.37	15.29	15.00	14.90	15.48	15.38
Mountain II	14.80	14.62	14.70	14.58	14.75	14.60	15.42	15.29
Mountain III	13.56	13.40	14.37	14.23	13.90	13.75	14.71	14.57
Pacific	17.54	16.60	16.63	16.59	17.45	16.60	17.88	17.10
California	16.50	16.20	16.25	16.05	16.46	16.17	17.64	17.41
Hawaii	16.00	15.75	17.70	17.55	16.27	16.04	18.13	17.94
United States	15.28	14.99	14.62	14.51	15.10	14.86	15.87	15.65

[1] Region map on page 31.

Table from the USDA Farm Labor Survey Release Feb. 11, 2021 from the Fall 2020 Survey. ISSN: 1949-0909

Do I really have to deal with payroll, can’t I just give them a 1099?

EMPLOYEE OR CONTRACT LABOR

Can I give someone a 1099 or are they a W-2 Wage Earner

- The IRS and Dept. of Labor may ask some of the following questions:
  - Does this person work for others doing the same thing they are doing for you?
  - Who has the say over the day-to-day tasks?
  - Who provides the instructions of what, how, and when tasks get done?
  - Whose equipment, tools, etc. is being used?
- If you provide 1099's to individuals that should have been a W-2 wage earner there can bee severe penalties not only from the IRS but also the Department of Labor (DOL) Wage and Hour Division (WHD)

Labor – Contract, non-payroll

- Technically, before work begins you should have the EIN or Soc. Sec. number, the address and any other pertinent contact information (unless they are a corporation i.e. Home Depot, TSC, etc.) of the person you are supposed to pay.
  - If you paid more than $600, you must provide a 1099 to them (even for rent of property)
  - NOTE: If you are using a Veterinarian and you pay them $600 or more in a year you must provide them with a 1099-Misc even if they are a corporation

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Contractor

- A person that you hire to do specific tasks and typically receives a 1099 is not your employee. Their employees are not your employees.
- You typically will not provide them or responsible for:
  - Benefits
  - With equipment or machinery to use
  - The timing of when tasks are completed, except through the contract you have negotiated
  - Withholding or paying any income tax, Social Security, or Medicare, FUTA, SUTA
- Dependent on the situation you could be considered a co-employer by various agencies if there is an issue such as the contractor does not pay or provide the correct amount to their employees that are working on your property.
- *You should still maintain proper insurance for your protection, farm insurance, liability/umbrella, workman's comp. etc.

1099's

- You must provide 1099's to anyone you pay $600 or more to in a year that is not an employee of yours or a corporation. This includes to landlords, custom work that is done, veterinarians (even if they are a corp.), etc.
- You may also receive a 1099 for;
  - Receiving government program payments (1099-G)
  - Interest earned from a bank (1099-Int)
  - Non-Employee Compensation, paid for a service i.e. custom work (1099-NEC)
  - Rent payments to others (1099-Misc)
- A 1099 – XXX must be sent to those you have provided payment to by January 31st following the conclusion of the tax calendar year the payments were made.

Short Statement on Internships

- Without getting into the weeds. Many attempt to take a cheap route to labor by providing or attempting to get unpaid interns.
  - If you are farming, farming comes with costs and this includes labor.
- This will increase your liability and usually increases turn-over. Good interns will drop you in a heartbeat as soon as a better experience becomes available and or something that pays.
- You will also continue to be liable if they are injured on your property.
- If you go the intern route, make sure you offer a proper experience to the individual not just grunt work, and that they are constantly supervised!

Are you ready?

I AM HIRING AN EMPLOYEE

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Additional Laws You Need to be Aware of!

- Fair Labor Standards Act (FLSA)
  - The Fair Labor Standards Act (FLSA) establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments. Covered nonexempt workers are entitled to a minimum wage of not less than $7.25 per hour effective July 24, 2009. Overtime pay at a rate not less than one and one-half times the regular rate of pay is required after 40 hours of work in a workweek.
  - https://www.dol.gov/agencies/whd/flsa
- Migrant and Seasonal Agricultural Worker Protection Act (MSPA)
  - The Migrant and Seasonal Agricultural Worker Protection Act (MSPA) protects migrant and seasonal agricultural workers by establishing employment standards related to wages, housing, transportation, disclosures and recordkeeping. The MSPA also requires farm labor contractors to register with the U.S. Department of Labor (DOL). For more general information on the MSPA, please see the Employment Law Guide or Fact Sheet 49.
  - https://www.dol.gov/agencies/whd/agriculture/mspa

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Recordkeeping, Forms and other Documents

- Do you and an EIN #, are you registered with the state's labor dept?
- I-9 Form
- W-4 Form
- Did you send the W-2 at the end of the year?
- Are time sheets kept and recorded
  - Pay Checks and Pay stubs with proper information included
- Proper withholding completed
  - Social Security, Medicare/Medicaid, FUTA and SUTA, and any other legally required garnishments
- Weekly unemployment and other withholdings deposited?
- Do you have the proper posters and signage hanging where it needs to be related to chemical use, OSHA, EEOC, Employee rights, etc.?

General

- Do you have an EIN number. This can be gotten through the IRS for free.
- Are you registered with the state’s department of labor and or hiring agency.
- You will need to report each new hire with the state's agency responsible for this (New Hire Reporting).
- Have you posted all of the required notices?
  - https://webapps.dol.gov/elaws/posters.htm

Labor

- Have formal time sheets, and records. If you use piece rate, records are a must!
- All hired labor (hourly and piece rate) must have:
  - An I-9 completed and on file.
  - Are you utilizing (either by choice or state requirement) E-verify to determine an individuals ability to legally work in the U.S.?
  - W-4 filled out by employee.
  - W-2's provided at end of fiscal year.
  - Proper paychecks provided and pay stubs with appropriate information.
  - Must still make minimum wage even if being paid on piece rate.
  - Have you deducted appropriate withholdings?
  - Made appropriate payments for FUTA, SUTA, FICA, etc.

Labor – I-9

- You must keep the I-9 on file/record the entire time the employee is employed by you. Section I must be completed no later than the first day of employment but should not be completed before the job offer had been accepted.
- When an employee stops working for you should calculate how long you must keep their I-9.
  - I-9 must be kept as long as the person is still on the payroll!
  - If the employee quits, is fired or no longer on your payroll, Federal regulation requires the I-9 to be retained for each person you hire for three years after the date of hire (if they leave) or one year after the date employment ends, whichever is later.
    To calculate how long to keep a former employee's Form I-9:
    - If they worked for less than two years, retain their form for three years after the date entered in the **"First Day of Employment field"**.
    - If they worked for more than two years, retain their form for one year after the date they stop working for you.
- You can retain the I-9 on paper, microfilm/microfiche, or electronically. You only need to only retain the pages that have been filled out or contain handwriting by you or the employee:
  - example, you don't need to keep the Lists of Acceptable Documents page or the instructions.
  - **YOU CANNOT USE THE SPANISH FORM. THAT IS ONLY FOR PUERTO RICO.**
- **I strongly encourage that all paperwork on each employee for a min. of 10 years. Many laws will have a statute of limitation that may be 5 years, 10 years with some federal laws not having any. This includes Human Trafficking. Check your state laws and work with a good labor attorney to determine what may work best for you.**

W-4

- The Employee Withholding Certificate
  - Should be filled out by the employee as soon as possible
  - Provides the information necessary for the employer withhold the proper amounts from the employee's paycheck.
  - The employee can fill out a new W-4 at any time which the employer will need to update that employees withholding values as stated on the newly provided W-4.
  - It would be a good idea to have each employee fill out a new W-4 each year or at least verify that they do not want to change what is presently filed.

Form 943

- Form 943 is the Employer's Annual Tax Return for Agricultural Employees
  - If you paid farm workers wages that were subject to withholding of federal income tax, social security or Medicare
  - This must be filed every year by February 1 (2021)
  - For more information on farmworkers and wages, see Pub. 51.

Do I have to Withhold?

The $150 Test or the $2,500 Test

- All cash wages paid to farmworkers are subject to social security and Medicare taxes and federal income tax withholding in the calendar year that you meet either of the following tests.
- Employee cash wages of $150 or more in a year for farm work (count all wages paid on a time, piecework, or other basis).
  - The $150 test applies separately to each farmworker employed.
- The total (cash and noncash) wages that you pay to all farmworkers is $2,500 or more.
  - If the $2,500-or-more test for the group isn't met, the $150-or-more test for an individual still applies. Similarly, if the $150-or-more test is not met for any individual, the $2,500-or-more test for the group still applies.

Exceptions.

Special rules apply to certain hand-harvest laborers who receive less than $150 in annual cash wages. For more information, see section 4 of Pub. 51.

W-2

- Must be provided to each employee by February 1 (2021)
- If an employee no longer works for you at the end of the year but received pay from you, you still need to provide them with a W-2 by February 1 (2021)
    - If the employee requests the W-2 before February 1 you must provide it within 30 days of the request or of the last wage payment, which ever is later.
- Copy A of all W-2 forms is filed with the Transmittal of Wage and Tax Statements (Form W-3) to the Social Security Administration (SSA)

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Bartering

- The bartering of services or products for other services or products is still taxable and subject to SE Tax!
  - Farmer John raises cattle and hay but he lacks equipment to bale his own hay. He provides his neighbor Mary with a heifer valued at $600 in exchange for her baling his hay.
  - John may deduct the cost of the hay services on his Schedule F. He must also report any gain or loss realized on the disposition of the heifer.
  - Mary must report the $600 heifer as income regardless of how she uses it.
  - If Mary does use the heifer for her farming operation she may expense or capitalize and depreciate the FMV of the heifer.

Example modified from: LGUTEF Agricultural Tax Issues Fall 2018 Chapter 5: Kantrovich

Crops for Wages

- Crops for wages can be done but needs to be dealt with carefully
  - If the deal is to be paid in "x" amount of crop per hour/day/week, etc. worth of work. The amount of crop CANNOT be a dollar value equivalency
    - The employee must be the one at risk with the commodity i.e. responsible for its marketing/use, etc.
    - Then the employer does not have to worry about withholding, FICA, FUTA, etc.
    - The employee is then responsible for any quarterly estimates, income taxes, and SE taxes associated with the income earned from the sale/marketing of the commodity
  - IF the commodity provided on a per work period agreement has a cash value per quantity obtained for a period of time it is as if the employer paid the employee in cash and must pay FICA, FUTA, and perform necessary withholdings, etc.

Federal Self-Employment Tax (SE)

- Self-employment tax is the tax that you must pay on earned income if you work for yourself.
- If you work for someone else the employer pays half and the employee pays half, but if you are self-employed, you are the employer and the employee, so you pay 100% of it.
- Self-Employment Tax = 15.3%
  - 12.4% for Social Security (on the first $137,000 for 2020 and $142,800 for 2021)
  - 2.9% for Medicare (on all wages and tips)
  - Additional .9% Medicare on self employment income above a specific threshold.
- Self-Employment Tax Deduction for the employer half to calculate your Adjusted Gross Income (AGI)
- There is also a Self-employed Health Insurance Deduction available

I cannot find enough workers, where do I go?

SHOULD I CONSIDER GUEST WORKERS?

Accessing Farm Labor

- For many individuals accessing or getting the needed labor to work on the farm has been increasingly difficult over the past 10-20 years.
- This is because of:
    - Changing demographics & the next generation of farm workers not coming into farm related work.
    - Immigration regulations.
    - Simply, fewer people are willing to work in the type of conditions that many farms provide.
- Most states and or local municipalities will have some form of Workforce Development agency to assist in finding help but this has provided little help for most.
- Many farms have worked with Farm Labor Contractors (FLC’s) but this presents its own challenges.
- H-2A has been a last resort for many.

Farm Labor Contractor (FLC)

- You hire someone to be responsible for a particular task i.e. planting, pruning, harvesting.
- Within the contract you may be able to stipulate some criteria.
- The contractor is responsible for their own employees which provide the work necessary to complete the task.
- You WILL BE CONSIDERED A CO-EMPLOYER IF SOMETHING GOES WRONG!
- There are a lot of good FLC's but there are also a lot that are less than honest!

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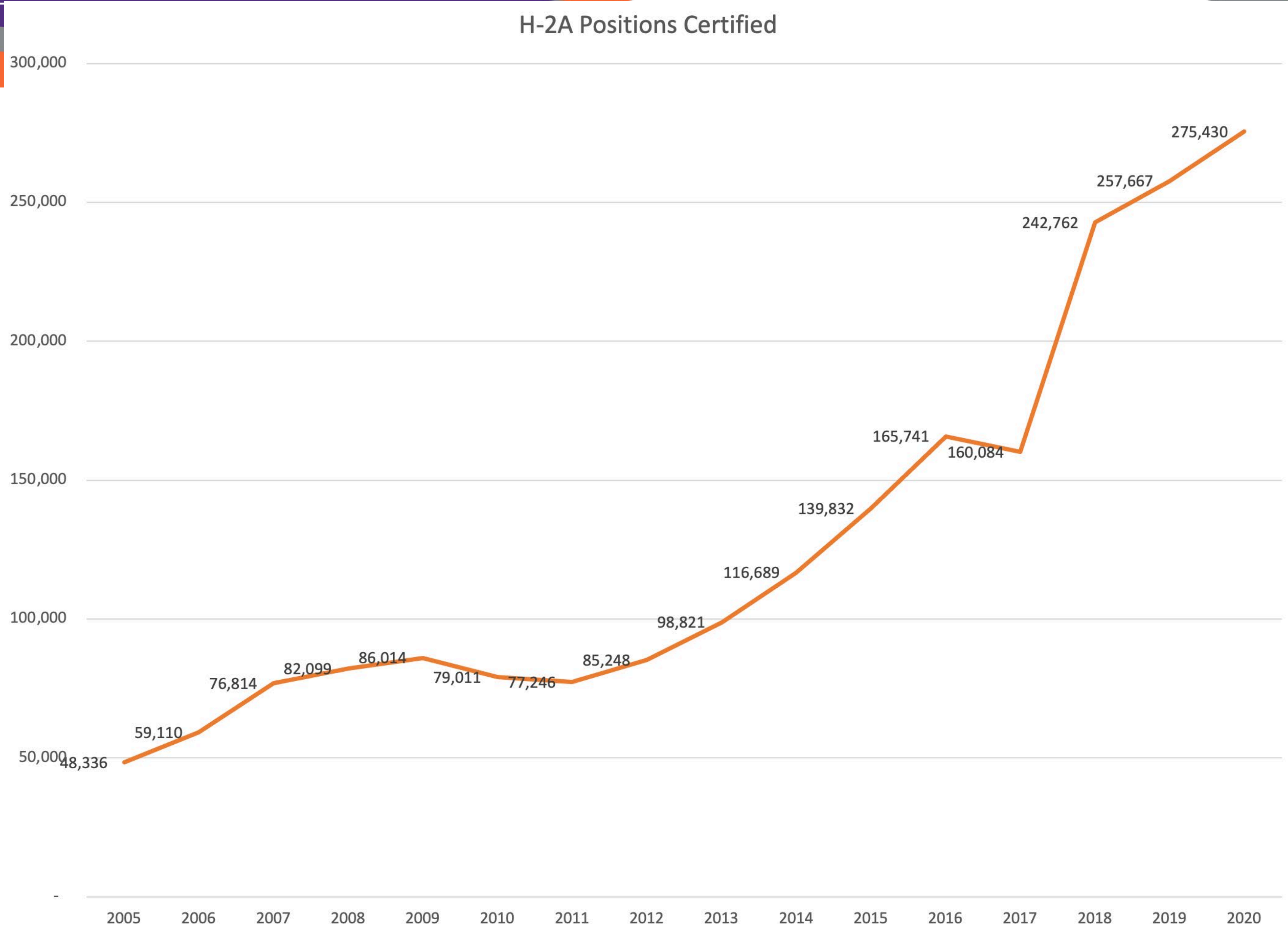

Chart developed with data from the Dept. of Labor Office of Foreign Labor Certification

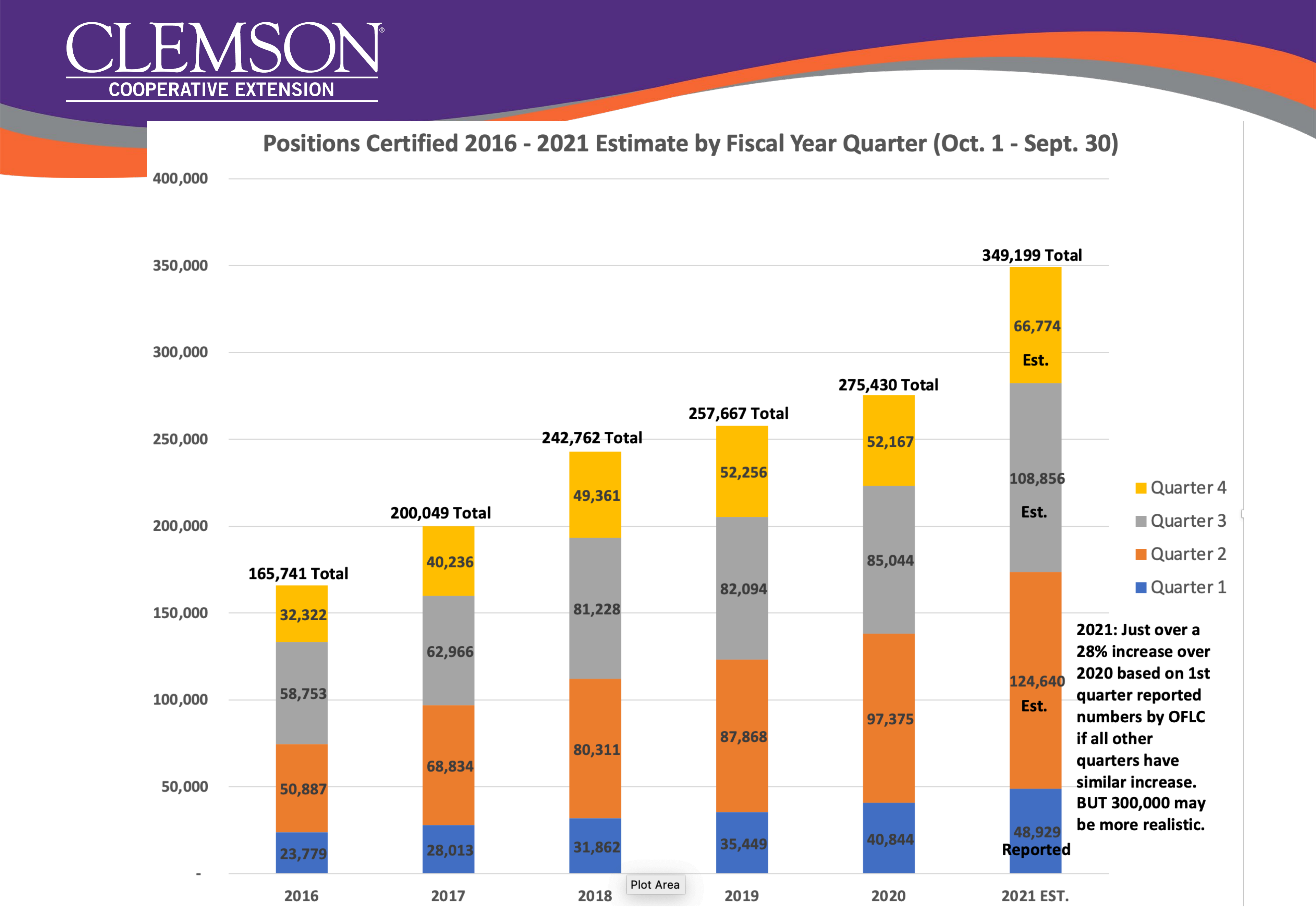

Chart developed with data from the Dept. of Labor Office of Foreign Labor Certification

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How Big Do I Need To Be For H-2A?

- It’s not a matter of farm size.
- Can you manage individuals that may not speak English or English is very limited?
- Are you willing to train individuals that do not speak English?
- Do you have impeccable recordkeeping skills and management?
- Are you timely with your recordkeeping?
- Do you have the facilities to house individuals that meet federal minimum specs? It will be inspected before the workers arrive and again while the workers are here!
- Can you afford the necessary costs involved?
- What time of the year and how for how much time do you you need the workers? 8-weeks or 8-months?
- There are farms that have under 10 H-2A workers and there are farms that have a 1,000 or more.

H-2A Workers

- Many farms have begun using guest workers through the H-2A program.
- The H-2A program allows for workers to enter the country on a visa specifically to work in agriculture from approved countries around the world.
- This program can be costly, involves multiple agencies, and you will be visited by a government agency, it is a matter of when, not if.
- This requires significant paperwork, great recordkeeping, and fantastic managers!

H-2A Employer Requirements

- Must prove a need for non-domestic workers.
- Must provide free housing that meet the minimum federal requirements, AND either provide facilities for the workers to do their own cooking or the employer must provide three meals a day, even on the employee's day(s) off (the employer may deduct a certain amount to recover the cost of providing the food but is limited to the amount stated by federal regulation)
- Must provide for the cost of transportation from their home country to the farm and back again, cost of the visa, etc.
- Must provide transportation here in the U.S. for the workers to go shopping, medical appointments, etc.
- Employers must pay the highest of the following; the Federal Minimum Wage, State or Local Minimum Wage, Adverse Effect Wage Rate (AEWR)

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H-2A Employer Requirements

- Employers must continue to advertise for positions up to a specific point and accept any domestic worker that meets all of the eligibility requirements for the job even if an H-2A worker is already hired and here.
- Must guarantee 75% of wages as stated in the contract to the H-2A workers. There are very few exclusions to this. i.e. 10 weeks at 40 hours a week at $15 an hour. The employer must pay the worker regardless of situation 75% of $6,000 which is $4,500.
- H-2A workers do not pay into Social Security or Medicare. Employers are not required to withhold any taxes. The employer may request the employer to withhold federal, state and local income taxes but the employer is not required to oblige.
  - If no taxes are withheld the worker is required to file and pay any quarterly estimates. They still must pay federal, state and any local income taxes that may be owed.

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Total Number of Workers	1	
Number of Days in Country	167	
Number of Nights in Country and for travel to and back from farm	169	
Average Number of Weeks	23.86	
Average number of hours per week worked by each worker	50.00	
Number of Months	5.5	
Built Housing: If you have or are building housing unit(s) What is the total Capacity of all Labor Housing (i.e. if you have housing for 52 put 52)	52.0	
Built Housing: If You built Housing what is the total cost of building the units and land it sits on (This cost will use a simple annualization 20 years for life span)	$ 300,000.00	
HOTEL: If you use a Hotel Room put down the cost of the hotel room per person per night.	$ 35.00	
Labor Camp Rental: If you rent a labor camp put down what you pay per person per night.	$ 11.00	
Transportation via Bus		**Expense Per Person**
To Consulate from local community in Mexico per person ($100 each way)		$ 200.00
From Monterrey Consulate to Farm in SC via Greyhound bus service ($190 each way)		$ 380.00
In-Country cost for weekly transportation using a 12-passanger van (assuming there are 12 workers) annualized over a 10-year period. Costs include: econ. Dpr, annual maintenance and repairs, driver, fuel costs, insurance, cost of interest (return on capital).		$ 1,609.93
Meal Cost: important note, due to the changes in tax (TCJA) any deductions from taxes related to meals are limited to 50% of the cost and will be phased to 0%		
Cost for 3 meals a day per person. Employers are required to either provide cooking facilities and infrastructure or to provide three meals a day while the workers are in country. Employers are only able to charge the workers up to $12.46 a day to help cover the meal cost. ($15 meal cost - $12.68 * number of days)	$ 15.00	$ 387.44
Housing: Please choose from the pull-down menu in the cell below to choose housing type and method. Please Click on the cell below (B35) then you will notice a small down arrow to the right of the cell, click on the down arrow and you will see your available options to choose.	**Per night/per Person**	
On Farm Housing Owned/Built	$ 5.13	$ 866.53
Other Associated Costs		
USCIS Petition Fee (it is a $460 fee that is then divided by the number of workers)	460	460
Recruitment		250
Bananex/Visa		190
Consulate Processing (This is a fee typically charged or buried in the costs associated with Labor consultants and FLC's on a per head basis)	100	100
I-94 Processing Fee		10
Subsitance		72
Advertising	500	500
Consulate Appt Overnight Stay at hotel		45
	Total Cost Per Worker	**$ 5,070.90**
	Total Cost per hour per worker above AEWR	**$ 4.25**

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Going Down the H-2A Path

- If you choose this path, it is strongly encouraged to use someone that knows what they are doing to assist you.
  - The costs vary greatly.
  - Make sure you know what they will be providing to you for the cost.
  - Make sure you are working with someone reputable.
- Remember. You get what you pay for!
- Do the right thing. The H-2A workers are not familiar with the U.S. system, banking, taxes, etc.
  - You may need to guide them in these areas. Not many tax professionals can do Non-Resident tax returns so you may need to provide guidance but be careful not to overstep specific boundaries.

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FINAL THOUGHTS AND COMMENTS

General Advice

- Unless you are a professional and trained in taxes, labor law, etc. it is not recommended that you seek out the appropriate professional.
- Farming is still a business, treat it as such and you will be more likely to succeed.
- Start off the right way which means you may have to spend money. Owning a farm or business comes with responsibilities to yourself, your family, and your employees. If you are not willing to do what needs to be done the correct way, it will show throughout other areas of the farm.

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Legal and Tax Professionals

- There not all the same!
- Just like doctors, many specialize in some areas while others are generalists and may miss specific regs and codes that are specific to ag and timber and or labor.
  - CPA: Certified Public Accountant. Must pass exams and have a certain number of college courses, updated education, etc. Some do taxes but not all.
  - Tax Attorney's: An attorney that has met the state requirement to specialize in tax law.
  - Enrolled Agent (EA): Tax law specialists, passed the necessary IRS exams and must be up to date with continuing education.
  - Registered Tax Return Preparer (RTRP): Passed the required IRS exam, must keep up to date with required continuing education.
  - Annual Filing Season Program Participants (AFSP): Required to maintain annual continuing education requirements.
  - There are many others!
- Interview these professionals
- Make sure you feel comfortable with who you are working with.

References & Resources

- USCIS I-9, https://www.uscis.gov/i-9
- E-Verify: https://www.e-verify.gov
- IRS EIN:
  - https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online
- IRS Publication 51, Circular A, Agricultural Employer's Tax Guide
- IRS Publication 225, The Farmer's Tax Guide
- IRS Publication 334, Tax Guide for Small Businesses
- Michigan State University Extension Employee Handbook Template:
  - https://www.canr.msu.edu/farm_management/uploads/files/Agriculture_Employee_Handbook_Template_MSU_-_Final_Version_02032014.pdf
- USDA Farm Labor Survey Reports: https://usda.library.cornell.edu/concern/publications/x920fw89s?locale=en
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Open for Questions and Discussion

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