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Employee Handbooks: Must-Have Policies and Other Guidelines

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Employee Handbooks: Must-Have Policies and Other Guidelines

Employee handbooks serve as valuable tools for communicating policies, regulations, procedures and benefits to employees. While many employers realize the importance of an employee handbook, employers often have questions related to how to create a handbook and which policies to include. The following are answers to these and other related questions.

Are employers required to have an employee handbook?

Employers are not required to have an employee handbook, but some laws do require employers to communicate certain information to employees in writing, and the employee handbook is an excellent means for doing so. Even though employee handbooks are not required, handbooks can help demonstrate an employer's compliance with federal, state, and local laws.

Why are handbooks important?

As a central source of information on guidelines, expectations, procedures, and benefits, employee handbooks can help ensure that all employees receive important information. They set forth what the employer expects from employees and what employees can expect from their employer. A well-drafted handbook with up-to-date, compliant policies can also help protect employers from certain employee claims.

What are some tips for drafting policies for the handbook?

When drafting policies for your handbook, keep the following guidelines in mind:

- » **Understand applicable laws.** Understand the impact of federal, state, and local laws on your policies and draft your handbook accordingly.
- » **Customize your handbook.** Take into account your company's history, practices, and culture, and seek input from executives, supervisors and employees about the current policies and procedures they value most. Additionally, consider the most common employee issues and questions your company faces and whether a policy can help to address these proactively.
- » **Be clear and concise.** The handbook should be written for a broad audience. Use plain English and provide a contact for employees to reach out to with questions about policies in the handbook.

- » **Allow for flexibility.** Avoid provisions that are overly broad or could be construed to infringe on employees' rights. However, make sure policies are written so that the company retains the flexibility to enforce them effectively. Expressly reserve the right to interpret, modify, suspend, or cancel all or part of a policy, procedure, or benefit at any time, with or without prior notice, to the extent allowed by law or governing plan documents.
- » **Have your handbook reviewed by legal counsel.** Always ask legal counsel to review your handbook prior to distributing it to your employees.

Are any policies required?

As mentioned above, some laws do require employers to communicate certain policies to employees in writing. These laws can depend on a number of factors, including company size, industry, and location. In the absence of a specific requirement, there are also certain policies considered essential for communicating company expectations and benefits. These include but are not limited to:

- 1. At-will employment.** The at-will statement reiterates that either you or the employee can terminate the employment relationship at any time and for any reason, as long as the reason is a lawful one. Generally included in the at-will policy is a statement that the company can change the terms and conditions of the employment relationship at any time. At-will policies should also contain language explaining to the employee how, and who at the company has the authority, to change the terms of the employment relationship. Absent an agreement or contract, at-will employment is presumed in every state but Montana.
- 2. Anti-harassment and non-discrimination.** These policies prohibit harassment and discrimination in the workplace. Nondiscrimination laws are governed by federal, state and local provisions, so it is important to review your applicable law when developing these policies. In addition to expressly prohibiting harassment and discrimination, these policies should clearly state that all complaints will be taken seriously and that retaliation is prohibited. Employees should be provided with multiple avenues for reporting violations as well as the consequences for violating these policies.
- 3. Immigration law compliance.** This policy informs employees that you are committed to only hiring individuals who are authorized to work in the United States and that your company complies with employment eligibility verification rules.
- 4. Employment classifications.** It is a best practice to clearly define employment classifications, such as full-time, part-time, exempt or non-exempt since an employee's classification can dictate eligibility for benefits and overtime pay.
- 5. Leave of absence and time off benefits.** These policies address a company's procedures regarding holidays, vacation, sick, and other types of company leave, or leave required by law. Employers may use their handbook to convey how employees are to submit requests for time off, whether accrued but unused time off is carried over from year to year, and whether unused vacation will be paid out at the time of termination. Note: Some states require the payout of unused vacation and other paid time off at the time of termination, so be sure your policy is drafted in accordance with applicable laws.
- 6. Meal and break periods.** A policy on meal and break periods informs employees of the frequency and duration of such breaks as well as any rules or restrictions related to break periods. Rest periods, lactation breaks, and meal periods must be provided in accordance with the Fair Labor Standards Act (FLSA) and state or local laws, so your policy must be drafted accordingly.
- 7. Timekeeping.** The purpose of this policy is to inform employees of the method in which they are to record time worked as well as their responsibility to accurately record all hours worked.
- 8. Paydays.** This policy can be used to inform employees of the frequency of paydays, the methods available for receiving pay, and any special procedures for when a payday falls on a holiday or when an employee is absent from work. Employers may also want to address how pay will be handled upon termination in accordance with federal and state law.
- 9. Safety and health.** Safety policies describe safety and emergency procedures and require employees to report work-related injuries immediately. Additionally, some regulations under the Occupational Safety and Health Act require employers to have specific policies and programs in place if certain workplace hazards exist (e.g., a hazard communication program if certain chemicals are present in the workplace).
- 10. Use of company equipment.** You may want to consider a policy on the use of company email, computers, phones, and other equipment to inform employees that such equipment is the property of the company, is intended for business use, and that employees should have no expectation of privacy when using company equipment or technology.
- 11. Attendance and punctuality.** This policy is intended to inform employees that they must be ready to work at their scheduled start time each day. It is also a best practice to include procedures employees are to follow for informing the company of an unscheduled absence or late arrival (e.g., employees must speak with their supervisor directly).
- 12. Emergency closings.** This policy should inform employees of the company's procedures for closing due to inclement weather or other emergencies as well as how employees will be notified of a closing. It may also address pay issues related to company closures.
- 13. Employee conduct.** It is a best practice to also have policies on standards of conduct, drug and alcohol abuse, disciplinary action, confidentiality, conflicts of interest, and workplace violence.

An employee handbook is one of the most effective tools for communicating with employees. Whether creating an employee handbook for the first time or updating an existing one, it is important to draft your policies carefully and have legal counsel review your handbook before distribution. Our next Tip will cover guidelines related to implementing and maintaining an employee handbook.



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