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# 10 Holiday Headaches for HR—and How to Manage Them

The holiday season can be the source of a number of potential headaches for HR. Whether it's figuring out holiday pay, hiring seasonal workers, juggling vacation requests, or planning holiday parties, HR responsibilities can seem overwhelming this time of year. In this Tip, you'll read guidelines to help you manage 10 common holiday-related challenges.

## 10 Holiday Headaches for HR—and How to Manage Them

The holiday season can present a number of potential headaches for HR, especially when it comes to holiday pay, an increase in time off requests, declines in productivity, and inclement weather. To help manage these challenges, it's important to start planning early.

The following guidelines can help you manage 10 common holiday-related issues:

**1. Holiday pay.** There is generally no federal or state requirement for private employers to provide paid holidays. Likewise, there is generally no requirement to pay non-exempt employees a premium for working on a holiday, but there are notable exceptions in states like Massachusetts and Rhode Island, where some employers may be required to provide premium pay under limited circumstances. When determining how you will treat holidays, consider your state law and your company's resources, business needs, and practices in previous years. If you close for a holiday but do not offer paid holidays, non-exempt (or "hourly") employees are generally not entitled to pay. However, exempt employees must receive their full salary, as long as they work any part of the workweek.

**2. Extending holidays.** Since Christmas and New Year's Day fall on a Tuesday this year, some employees may request the preceding Monday off to make it a long weekend. To ensure you're appropriately staffed, consider requiring advance notice for time off around the holidays, having non-exempt employees work the day before and after a holiday to

receive pay for a holiday (unless the time off is scheduled in advance), and providing incentives (such as an extra vacation day) to employees who work during less desirable times. Whenever implementing new policies and procedures, it's recommended that you provide sufficient (at least 30 days) notice of the changes. All policies must be applied in a consistent manner.

**3. Vacation requests.** The holiday season is a popular time for employees to take vacation. Supervisors should ensure their departments remain appropriately staffed and that they have qualified personnel to handle key operations. Employees should be instructed to provide vacation requests in writing (consider requesting one month advance notice). Decisions to grant time off may be based on seniority, on a first-come first-served basis, scheduling needs, or a combination of factors, but must be applied in a consistent and non-discriminatory manner.

**4. Furloughs.** Some employers choose to close operations during the holidays to cut costs or adjust to lighter demand (this is known as a "furlough"). Employees who are out of work during a furlough may be eligible for unemployment benefits; check your state law to determine eligibility and other requirements. While non-exempt employees need not be paid during a furlough, exempt employees must receive their full salaries if they work any part of the workweek.

**5. Seasonal help.** If your business is seasonal in nature or if you operate a retail establishment, this time of year may mean an increase in workload. If you are hiring seasonal help to meet the added demand, start the process early to make sure you have enough time to train and orient your new hires before the season is in full swing. Additionally, during the new hire process, make sure to set appropriate expectations so that seasonal employees are clear that the relationship is temporary.

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**6. Presenteeism.** When employees are present, but aren't working to their full potential, it's known as "presenteeism." During the holiday season, presenteeism can be especially acute, whether it's due to illness, personal stressors, or other factors. Consider reviewing your time off policies to ensure they are producing intended results and take steps to help your employees balance work and life responsibilities (e.g., consider offering flexible work arrangements or additional personal days). Any declines in performance should be addressed promptly and consistently.

**7. Inclement weather.** In many parts of the country, inclement weather can present a challenge this time of year. Under the Fair Labor Standards Act (FLSA), if non-exempt employees miss work because of inclement weather (either because the company is closed or because they are unable to make it into work), there is generally no requirement to pay them. However, if the company closes, exempt employees must receive their full salary, as long as they have worked any part of the workweek.

**8. Online shopping.** While many employers permit some personal use of company equipment, online shopping and other personal use of company computers may spike during the holiday season. Your company should have clear policies on email, computer and Internet use and employees should know exactly what restrictions are in place. This includes which websites are restricted, and if applicable, which times of the day employees can browse the Internet for personal reasons (e.g., during break or meal periods only). Remind employees of these rules prior to the holiday season.

**9. Holiday parties.** A holiday party can be a simple way to recognize employee efforts and boost morale going into the New Year. However, if you are hosting a holiday party, ensure employees are reminded of company rules governing dress codes and appropriate conduct. You may also want to consider other ways to celebrate the holiday season. In lieu of a holiday party, some employers have adopted other morale-boosting activities, such as organizing a day of service at a local non-profit organization.

**10. Bonuses and gifts.** Holiday bonuses are another way for employers to recognize and reward employee accomplishments throughout the year. In some companies, bonuses have become a tradition and some employees may even come to expect it. Appropriately manage expectations and inform employees that bonuses are awarded at the company's discretion and that the company may change the terms and conditions of the bonus program at any time, or even choose to eliminate it entirely. Keep in mind that many types of holiday bonuses are considered taxable wages. According to the Internal Revenue Service, cash, a gift certificate/gift card, or a similar item that can easily be exchanged for cash is considered income, regardless of the amount (see IRS Publication 15-B). Employers should consult with their tax advisor regarding the tax implications of holiday bonuses.

While challenges around the holiday season can seem to mount, having clear policies and procedures in place for addressing common issues can go a long way in making these responsibilities easier to manage.

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