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SMALL BUSINESS SERVICES

12 Essential Workplace Policies

Having formal written policies in place is important for demonstrating compliance with certain federal, state, and local laws and for communicating workplace rules and procedures to employees. Perhaps one of the most challenging aspects of creating an employee handbook is figuring out which policies to include. In this Tip, we have identified a list of 12 essential policies.

12 ESSENTIAL WORKPLACE POLICIES

It's important for employers to have formal written policies to demonstrate compliance with certain laws as well as communicate rules, procedures, and guidelines to employees so they understand what is expected of them. However, getting started can sometimes be a challenge and many employers often wonder which policies are necessary. While the answer may depend on a number of factors, including company size, industry, and location, certain policies are generally considered essential for most employers. The following are 12 essential workplace policies:

1. Sexual harassment and non-discrimination. A policy on sexual and other unlawful harassment is critical for helping to prevent such behavior in the workplace. A best practice policy defines sexual harassment, provides examples of unacceptable conduct, states that harassment will not be tolerated, provides multiple avenues for employees to report inappropriate conduct, and indicates that violations may result in disciplinary action up to and including termination. Additionally, a policy on non-discrimination (also known as an Equal Employment Opportunity policy) is critical for informing employees that the company prohibits discrimination on the basis of any characteristic that is protected by federal, state, and local law (e.g., age, disability, color, race, national origin, religion, sex, genetic information, etc.). The policy should stress that employment decisions are based upon job-related factors and for bona fide business purposes.

2. At-will employment. It is a best practice to include a clear at-will employment statement within the employee handbook. Generally, such statements are included in the beginning of the handbook and are written in large boldface type. The at-will statement reiterates that either you or the employee can terminate the employment relationship at any time and for any reason and that the company can change the terms of the employment relationship at any time (i.e., wages and benefits). In addition to defining the relationship as at-will, this policy informs employees that nothing in the handbook should be construed to be a contract of employment, that verbal or written statements made to the employee are not intended to alter the at-will relationship, and that employment is not guaranteed for any specified period of time.

3. Immigration law compliance. Under the Immigration Reform and Control Act (IRCA), employers are prohibited from employing workers who are not authorized to work in the United States. IRCA also requires employers to take certain steps (i.e., completing Form I-9) to ensure that newly hired employees are eligible to work. A policy on immigration compliance informs employees that you are committed to only hiring individuals who are authorized to work in the United States.

4. Employment classifications. It is a best practice to clearly define employment classifications in a written policy since an employee's status as full-time, part-time, exempt or non-exempt dictate eligibility for benefits and overtime pay. As a reminder, under the Fair Labor Standards Act (FLSA), non-exempt employees must be paid overtime for all hours worked over 40 in a given workweek. **Note:** your state law may require daily overtime and/or additional requirements and policies must be drafted accordingly.

5. Leave of absence and time off benefits. Leave of absence policies explain company procedures related to vacation, sick, and other types of leaves. Be sure to include any leave required by federal, state, or local law. For example, if you are covered by the Family and Medical Leave Act (FMLA), include an FMLA policy that explains eligibility for leave, procedures for requesting leave, medical certification requirements, whether the use of accrued paid time off is required, and information concerning health insurance continuation.

6. Rest and meal breaks. A policy on rest breaks and meal periods identifies the number and duration of rest breaks and meal periods that will be provided and any rules or restrictions related to them. For instance, your policy may indicate that employees are expected to punch in and out for meal periods and return to work promptly following each break period. Remember that rest periods, lactation breaks, and meal periods must be provided in accordance with the Fair Labor Standards Act (FLSA) and state or local laws. Under the FLSA, any break lasting 20 minutes or less must generally be paid. Bona fide meal periods, on the other hand, can be unpaid as long as the meal period is at least 30 minutes and the employee is *fully* relieved of all duties.

7. Timekeeping. The purpose of this policy is to inform employees that they have a responsibility to record their work hours accurately and to identify the procedures for recording time worked. Employee responsibilities should be clearly outlined (e.g., reviewing and signing off on time cards/sheets each pay period to help ensure that all time worked is properly accounted for). Additionally, it is a best practice to inform employees that altering, falsifying, tampering with time records, or recording time on another employee's time record is strictly prohibited.

8. Paydays. This policy can be used to inform employees of the frequency of paydays (e.g., weekly, bi-weekly, semi-monthly, etc.), the methods available for receiving pay (e.g., paper check, direct deposit, payroll debit card), 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. **Note:** some states require employees to be paid immediately upon termination and in some cases final pay must include accrued unused paid time off. Check your state law for specific requirements on final pay.

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). Visit OSHA.gov to determine whether your business is covered by any of these requirements.

10. Use of company equipment. You may want to consider a policy on the use of company email, computers, phones, and other equipment. A best practice is to inform employees that such equipment is the property of the company, it is intended for business use, and that employees should have no expectation of privacy when using company equipment.

11. Attendance and punctuality. This policy sets forth expectations regarding attendance and punctuality and informs 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). You may also want to consider including potential consequences of excessive absenteeism or tardiness.

12. Company-specific policies. Your company may also have certain rules or procedures that are unique to your business or industry. Be sure to include any additional workplace rules or procedures that are important to your business.

The policies outlined above are available in the HR411 Employee Handbook Wizard. Employers should tailor these policies to their specific business needs and to state and local requirements.

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