

# **The Employee Handbook:**

*A Compilation of Suggested Policies and Wording to be Used in Developing an Employee Handbook*

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**The employee handbook is no longer just for huge corporations. It is time for small to medium-size employers to not only consider having an employee handbook, but to actually create one.**

The employee handbook goes by many names. It may be called the Employee Manual, Policy Manual, or Employee Handbook. But no matter what name it has, the purpose of the document remains much the same. The employee handbook is no longer just for large employers or huge corporations. It is time for small to medium-size employers, such as physicians and dentists, to not only consider having an employee handbook, but to actually create one. This document will assist employers with doing just that.

## Purpose of An Employee Handbook

The employee handbook is one of the most important documents and communication tools of a business. It sets forth the policies and benefits provided by the company. As such, it expresses the philosophy, goals and ethical atmosphere that is maintained by the business. A clear and unambiguous document describes what the employee can expect from the company, and in turn, outlines the expectations the company has of the employees. It provides a picture of the type of person and attitude that is desired in all team members. However, there is a third party that is most important to everyone: the customer, client, or patient. The employee handbook is the perfect tool to convey the message to employees about how the company business is conducted so that it will serve the customer, who in the long run, pays the wages for all.

## Overall Philosophy of the Company

When a new employee joins the team, the first formal communication with him or her is generally the employee handbook. It should make a good impression by having a welcoming format and readable language. In addition to being an introductory tool, it will be the first place the employee turns for answers or for a solution should a dispute or question arise. As such, it should contain as thorough a list of policies as possible so that should a problem arise, reference can be made to the appropriate policy to identify the expected behavior. It is important to announce employment policies beforehand because in certain areas such as equal opportunity, sexual harassment, no solicitation rules, and drug testing, the policy states the company's intent. For example, if the company wants to have an employee tested for drugs, and there is no policy and process that speaks to drug testing, it is difficult to require such a test from the employee. The best time to establish or change personnel policies is before a situation arises.

## Accessibility

In this day of computerization, it may be most convenient to have the handbook computerized, making it easily accessible by all employees. Some protection should be put on the material to ensure that changes cannot be made to the document except by approved person(s). If and when policies are changed, they should be dated, included in the handbook, and given to each employee.



The handbook should be written in understandable language. The handbook should include enough detail to avoid confusion, but not so much as to overwhelm. If other documents are available, such as the group health insurance plan booklet, retirement plan documents, etc., do not duplicate the information that is in those books in the handbook. Briefly mention them and offer a summary. Make reference to the other documents and where they can be found.

## Sample Handbook Document

The “Sample Handbook” provided here contains various human resource policies, and some employment laws and regulations employers may wish to consider incorporating into their employee handbook. Included are many optional benefits and policies that may or may not be appropriate for your employees. Not all items listed in the table of contents (the list contains almost every thinkable element) need be included in your employee handbook, but they are listed and should be considered in creating your company’s document. Examples of wording, policies and benefits are included for your consideration. They may trigger an idea for a benefit or policy that you may not have thought of and may want to include in your handbook.

An important section of any manual should consist of office policies about sexual harassment, patient confidentiality, and discrimination based on gender, race, religion, color, national origin, sexual orientation, age, disability, handicap, veterans status, etc. An employment at-will statement as well as a form for employees to sign stating that they have read the handbook and understand the policies is advisable. It should also refer to the documents regarding HIPAA and OSHA requirements and where they can be found.

## Getting Started

If you are creating a handbook for the first time, it may seem like a daunting task. A wise way to start may be to ask current employees for a list of the unwritten policies that are in use at this time. From their review, decisions can be made as to which are appropriate, beneficial, desirable, need amending or are ready to be discarded. Depending upon the chief executive’s management style, the staff may or may not be included in the discussions. However, the office manager and a consultant may be valuable in deciding which policies and their wording will be included in the company employee handbook. And it is always wise to consult your legal counsel on any topics that you do not understand.

## Corporate Culture

An employer can establish a solid foundation through the employee handbook to create the corporate culture that will lead to the pursuit of excellence and customer satisfaction, resulting in repeat and referral business and high employee

morale. The manual should fit the business/practice, and can be added to at any time. The dentist, practice owner or business owner can write the manual themselves, but some may want the assistance and expertise of a practice management consultant.

Technology has made manuals very portable and flexible. Access is easy, especially when they are saved on CD-ROM or on your computer network.

## Implementing a New or Revised Employee Handbook

When a draft of a new or revised employee handbook is completed, it is wise to have it critiqued by as many people as possible. Management, managers and supervisors will want to review it to determine if it serves their needs. It will be up to them to administer and enforce the handbook, so it should reflect their department's goals and the work ethic promoted therein. Handbooks will be changed and updated as business conditions change. However, when creating a handbook, the goal should be to create one that needs as little amending as possible.

Employee input is also vital. This can be accomplished by having small groups of employees discuss the various issues as found in the draft handbook with their supervisors. Suggestions and modifications should be welcome. Employees are closest to their jobs and their input is valuable. Often, good points and clarifications are made when the atmosphere is one of cooperation and respect.

In addition to employee input, providing sufficient time to explain its contents in detail and answer questions about it and the policies goes a long way in employee acceptance of a new employee handbook. When the handbook is understood, supervisors find that it is easier for them to administer it when time comes to enforce the rules and policies. Utilizing such an approach should foster harmony and goodwill because of the employer's foresight and effort in involving the employees in the process.

Upon finalizing the employee handbook, whether it was constructed by the employees of the business or by a practice management consultant, have your business attorney review it. Ideally, the manual should be reviewed by the attorney on a yearly basis to ensure that the manual is current with statutes that are continually changing.

## Sample Employee Handbook Contents, Sample Policies

The following "Sample Handbook" contains a brief description of each item listed in the table of contents. Ideas have been taken from a number of different sources and actual employee handbooks. Choose the wording that best suits the philosophy of your company for the new employee handbook. In some instances, more than one example of wording of a policy is included to provide ideas as to how other businesses have incorporated that policy into their employee handbooks.

## Table of Contents

The table of contents in an employee handbook contains the various items contained in the employee handbook. Page numbers of each item should be included for easy and quick reference. The table of contents in this document lists many possible items that may be included in an employee handbook. A brief description of each item that appears in the table of contents has been provided so that when developing an employee handbook for your business, you can use it as a guide to customize the handbook. Pick and choose those items that best reflect the type of handbook that represents the philosophy and spirit of your business.

You may also want to contact your state's Department of Labor to obtain a list of those matters that must be included in an employee handbook.

(Develop a cover page that includes your company name, logo and address, and the date the handbook was implemented)

# **Employee Handbook**

## **Name of Practice or Business**

Business Address  
Phone  
Website Address  
Firm Email Address

Company Logo

Implementation Date of the Handbook

	Page
Acknowledgment of Receipt and Form	.8
Introduction	.8
Company History	.8
Goals, Values and Beliefs – Statement of Philosophy	.8
Missions Statement	.9
Ethics and Confidentiality	.9
Equal Opportunity Statement	.9
General Policies	.10
Personal Records/Files	.10
Attitude	.10
Attendance/Tardiness	.11
Confidentiality	.11
Personal Grooming, Dress and Appearance	.11
Lunch and Break Periods	.12
Smoking	.12
Work Habits	.12
Use of Company Property	.12
Phone Calls	.12
Personal Computer Use	.12
E-mail Use	.13
Safety and Accident Rules	.13
Substance Abuse Policy	.13
Sexual Harassment	.14
Performance Reviews	.14
Termination – Employment-at-Will	.15
Employment Categories	.15
Outside Employment	.16
Office Closing Policy	.16
Snow Days	.16
Emergency Closings	.16
Compensation	.16
Payroll	.16
Work Hours and Reporting	.17
Wage and Salary	.17
Overtime	.17
Holidays	.18
Vacations	.18
Paid Time Off (PTO)	.19
Leave of Absence	.20
Family Medical Leave	.20
Sick Leave and Worker’s Compensation	.20

	Page
Maternity Leave . . . . .	.21
Funeral Leave . . . . .	.21
Jury Duty . . . . .	.22
Military Service – USERRA . . . . .	.22
Benefits . . . . .	.29
Group Health Insurance . . . . .	.29
Short-Term Disability . . . . .	.29
Life Insurance . . . . .	.30
Continuation of Medical/COBRA . . . . .	.30
Dental Benefits . . . . .	.30
Worker’s Compensation . . . . .	.30
Retirement Plans . . . . .	.31
Tuition Assistance . . . . .	.31
Employee Assistance Program . . . . .	.31
Meetings and Seminars . . . . .	.31
Other Benefits . . . . .	.32
Credit Union . . . . .	.32
Employee Referral Programs . . . . .	.32
Idea Incentive Awards . . . . .	.32
Service Commendations . . . . .	.32
Employee Purchases . . . . .	.32
Annual Physical Examinations, Immunizations, etc. . . . .	.32
Compliance & Regulatory Requirements . . . . .	.33
Licensure/Certification . . . . .	.33
OSHA (Occupational Safety & Health Administration) . . . . .	.33
HIPAA Training (Health Insurance Portability and Accountability Act) . . . . .	.33
CPR Certification . . . . .	.33
Immigration Law Compliance . . . . .	.34
Forms . . . . .	.34
Disclaimer . . . . .	.34
Effective Date . . . . .	.35
Conclusion . . . . .	.35

## Acknowledgement of Receipt and Form

It is the responsibility of employees to know what is expected of them. The way they know this is by reading the employee handbook. To avoid a “but no one told me” discussion, it is a good idea to have an acknowledgment statement in the handbook (up front so they don’t miss it) for the employee to sign within a short period of time upon beginning their employment. This way, the employee will be familiar with the general contents of the handbook and sign their name, acknowledging that they read it, understand it, accept it, and agree to comply with it. An acknowledgment of the fact that they are an employee at will is also important to include in the statement. Include two copies of the acknowledgment so one stays with the handbook and the other goes in the person’s personnel file.

Sample Wording: I employee name, acknowledge that on date I received a copy of the Company Name Employee Handbook. I have read it and agree to abide by all of the rules and procedures described. I agree and understand that this Employee Handbook is not a contract of employment. Company Name may unilaterally make changes it deems appropriate with or without prior notice to me. However, I will be provided a written copy of the changes. I also understand that my employment can be terminated, with or without cause, and with or without notice, at any time, at the option of either Company Name or myself.

Date Signed: \_\_\_\_\_

Employee Signature: \_\_\_\_\_

## Introduction

The introduction provides the opportunity to welcome a new employee and describe the company.

### Company History

Include in the introduction some company history, information about the founder, number of years in business, number of employees, detailed accomplishments of the company, customer base, departments, etc. Keep it brief and inspirational. Some companies accomplish the items mentioned in the introduction section by including a welcoming letter from the president of the company.

### Goals, Values and Beliefs – Statement of Philosophy

This section provides the opportunity for the employer to describe in general terms the employee’s role in fulfilling the mission and how they can contribute to the bottom line success of the business. It also can mention what to expect of the company and its values, beliefs, and philosophy. Describe some long term goals of the company in the introduction.

Suggested wording:

Our values and beliefs require that we:

- Treat each employee with respect and give them the opportunity for input on how to continually improve our service to our patients/customers.
- Treat each employee fairly and with mutual respect. The practice does not tolerate discrimination of any kind and encourages all managers and supervisors to involve employees in problem solving and the creativity process.
- Deliver impeccable service to all patients/customers alike.
- Share the responsibility of maintaining high principles and standards that have been established.
- Each employee serves an important and vital role in cooperation with other staff.

## Mission Statement

Give prominence to the mission statement. If one does not exist, work with the staff to create one.

Suggested wording: The Mission Statement of Company Name

At Company Name, we pledge to help people understand the value of good oral health and provide treatment with unparalleled patient care through a strong doctor/patient relationship to ensure full benefit from our services. We will maintain a cheerful, friendly, tactful, neat and industrious attitude. We offer outstanding patient care, with state of the art technology and old-fashioned concern.

## Ethics and Confidentiality

Each company has a set of ethics based upon their profession and the image they want to project to their patients/customers. In this section, be specific as to the ethical behavior that is expected of an employee. It may include mention of the way in which conversations should be conducted outside and within the company, the confidentiality of records, discussions of personnel issues inside or outside of the company, strict use of release forms, etc. Reference to Health Insurance Portability (HIPAA) could be included in this section.

## Equal Opportunity Statement

This section provides a brief outline of your company's policy with respect to equal employment opportunity. Without such a statement, it could send a message you do not intend.

Suggested wording:

Company Name is an Equal Opportunity Employer. This means that we will extend equal opportunity to all individuals without regard for gender, race, religion, color, sex, national origin, sexual orientation, age, disability, handicap or veteran status. This policy affirms Company

Name's commitment to the principles of fair employment and the elimination of all vestiges of discriminatory practices that may exist. We encourage all employees to take advantage of opportunities for promotion as they occur.

## General Policies

Over the years, many policies have been developed because of litigation. Lawsuits continually account for new issues coming to the forefront. There are many policies to be considered for inclusion in the handbook. If these policies are not mentioned in the handbook, it is difficult at a later date to require such things as drug testing, sexual harassment investigations, etc.

## Personal Records/Files

State where and who maintains personnel files, that they are kept in the strictest confidence, and which employees can review them.

With notice, employees may review their specific personnel files in the presence of the individual responsible for maintaining such files.

## Attitude

This section provides the opportunity to address the attitudes desirable by the employee and elaborate why they are important to the overall good of the business. If the office is in the health care business, some mention can be made regarding the expected attitude toward patients which reflects on the whole practice. Addressing the expectation of a positive attitude of each staff member is also important, despite the possibility of negative or difficult times or arrangements. Maintaining good morale is the duty of all staff. A positive attitude cannot be stressed enough.

### Sample Wording:

It is extremely important that every member of the staff be courteous, friendly, helpful and prompt in the attention of patients/customers their relatives and fellow employees. Even though a person may be rude or abusive, that is not an excuse for being discourteous, angry, or grouchy to them. The impression you make has an influence on the whole business. Service to our patients/customers is our primary concern and we must provide the same level of service to every person.

Maintaining a positive attitude cannot be stressed enough. Each staff member serves an important and vital role and each fellow employee must be treated with respect and dignity. A persistent negative attitude or failure to cooperate with other staff members, or failures to contribute to a positive work environment are grounds for disciplinary action, including dismissal.

## **Attendance - Tardiness Policy**

A smooth and efficient office is contingent on every staff being present and ready to work at the scheduled time. Clarify the “start time,” encourage employees to call if they are late, and explain the influence such behavior has on co-workers. Indicate the time docked for late arrival and define an “excused absence” and an “unexcused absence.” Identify the method of tracking time: on a time clock, on the honor system, by computer check in, etc. Outline the consequences of tardiness. This is one area for which clarity and preciseness is a must. Mention the consequence if an employee falsifies a time document.

Sample Wording: (not inclusive of all that should be part of this policy)

A time clock is not used, but each employee is responsible for entering their individual start times, lunch start and stop times, and end of the day stop time on the form posted in the lunch room. Any employee who falsifies their time sheet in any manner may be subject to disciplinary action including dismissal.

## **Confidentiality**

Enumerate the type of information that is to be kept confidential. In a health care facility, patient names, their illnesses, personal lives, histories, records, etc. all require confidentiality not only because it is stated in the handbook, but because the law (HIPAA) requires it. Mention other HIPAA confidentiality requirements such as not revealing protected health care information to family members without the written permission of the patient. Refer to the HIPAA regulations and materials on file for proper wording and compliance with this section.

## **Grooming, Dress and Personal Appearance**

It is at the discretion of the business to decide if it will have a dress code. However, some statement should be included that shows that emphasis is placed on good grooming, appropriate dress and personal hygiene, and neatness of their person and work areas. A detailed policy will enumerate the personal appearance desired. Some mention may be necessary regarding cosmetics, jewelry, perfume and hairstyles. Some companies may provide a small clothing allowance (such as \$50 per year), especially where uniforms are required.

Sample wording:

The dress of employees will be suited to the practice style and opinions of the physicians/dentists and administrators. Male doctors will wear a shirt, tie, and nice slacks under a lab coat. Female doctors will wear a business suit or dress with panty hose, and low heels under a lab coat. The lab coat is to be clean, not worn, and will be changed if soiled during a patient visit. Nurses, billing staff and receptionists who are visible to patients will dress professionally, wearing scrubs and clean, white sneakers or nurse shoes. There is no room for low-cut or inappropriate street clothes. The office manager is the only person allowed to wear business casual attire instead of scrubs and a lab coat. The way we dress represents how we communicate our role and responsibilities.

## **Lunch and Break Periods**

Clearly identify if and when breaks occur, if they are paid breaks, their length, the necessity to work in other areas of the business while other employees take their breaks, and any other clarifying information.

## **Smoking**

Federal guidelines indicate that smoking is hazardous to an individual's health and state guidelines protect a non-smoker. State the policy of the business. Some businesses are total smoke-free companies. They prohibit smoking by employees anywhere in the building, even outside the facility, or only in certain locations outside the building.

## **Work Habits**

Each employee is assigned their primary tasks as outlined in their job description and is expected to cover for others in case of illness, absence, vacations or while others take their lunch breaks. A willingness to work and help others is expected.

In the case of a health care facility, state that it is the expectation of the practice that the employee sees the patient as the highest priority, and defers from unnecessary conversations, gossip or joking when patients are present. Prioritize work based on patient concerns.

## **Use of Company Property**

### **Phone Calls**

If not already mentioned in Work Habits or Lunch and Break Periods sections, a policy can be formulated regarding personal phone calls, their frequency, and the requirement for quick interruption if business calls come in. Some businesses may permit professional organization and/or fraternal or club activities during work hours. No long distance calls should be allowed except for work-related activities. Personal calls should be minimal and of short duration. Some mention can be made as to the phone etiquette that is expected when dealing with the public.

### **Personal Computer Use**

A personal computer policy should require a strict delineation of computer use for outside activities, surfing the Internet, email use, and inter-employee email use. It should contain a prohibition from installing software on the system, the use of standardized formats for messages, screen savers, etc. It may be necessary to have employees sign an agreement outlining computer utilization and restrictions. An attorney can assist in drawing up such an agreement. If personal use is allowed, written permission from the appropriate person is required. A specific person should be identified as the guardian of the system, to whom all IT

difficulties are referred. He or she makes purchases, and all network issues go through that person. Identify who handles the computer software requirements, training and frequency of updates.

## **Email Use**

Create an easy email policy. Each employee should realize that every email that is written is an open postcard to everyone in the company and the world. Develop an email template that everyone in the company uses. Messages should be respectful, with accurate spelling and standard grammar and punctuation. Messages should not contain long email threads. They should be conversational and friendly, but not familiar, with clear, specific, subject lines. Employees should avoid using sexist, racist, ageist, or ethnic words, and use “urgent” and “important” only when appropriate. Develop a 60-day deletion period and add a disclaimer to every message.

## **Safety and Accident Rules**

As an employer, there are certain safety posters, emergency procedures, phone numbers and working manuals for equipment that should either be posted or made readily available for use and ready reference by employees. Mention where the OSHA manual is kept. Escape routes in case of an emergency should be identified. Identify the equipment used with patients/customers and/or employees for which employees are responsible for use and upkeep. A specific person should be identified as responsible for computer backup tapes, disks, etc. and their after-hours location. In this section, employees should be encouraged to maintain a hazard-free environment, to report accidents or injuries—including any breaches of safety—and to report any unsafe equipment, working condition, process or procedure at once to a supervisor without punishment or reprimand for reporting. If there are deliberate violations, or creation of a hazard by an employee, the manual should state that the employee will be dealt with through disciplinary action which may result in termination.

## **Substance Abuse Policy**

Drug or alcohol abuse can be very serious and dangerous in the workplace. There should be a specific policy addressing the matter.

Suggested wording for the basic policy:

Any employee using, possessing, selling or under the influence of alcohol or any illegal drug, or abusing controlled substances on the premises or while performing duties on behalf of ABC company and doing any of the same off the premises will be subject to appropriate disciplinary action up to, and including, termination.

The actual policy may be lengthy and technical, so it may be appropriate to outline the policy and then refer to the complete document for further information. It may also include reference to the fact that should results from an investigation into drug abuse prove positive, law enforcement agencies may be contacted and the

office will cooperate with their investigations.

Some companies may require unannounced drug screens of individuals or groups of employees where a suspicion is present. Refusal could result in immediate removal from service and termination for insubordination. The process by which this would occur should be included. It is up to the individual business to decide if this policy will be initiated. Drug testing cannot be done if the handbook does not contain a policy on it.

It should also be clarified that these policies pertain to all employees: full time, part-time and temporary.

## **Sexual Harassment**

It is essential for businesses to adopt a policy against sexual harassment. It is important for company personnel to know how to identify sexual harassment, how to report it, how to respond to a complaint, how to conduct an investigation and if necessary, when to hire an attorney. All of these items should be included in the sexual harassment policy.

Special mentions should be made that identify sexual harassment as it applies to conduct of a supervisor toward a subordinate, an employee toward another employee, a non-employee toward an employee, or any employee toward a non-employee. Sexual harassment can apply to conduct outside the workplace, as well as on the work site.

Include a definition of sexual harassment. Also, prohibit retaliation of any kind by anyone for bringing sexual harassment charges or assisting in investigating a charge.

## **Performance Reviews**

Conducting performance reviews is an essential element of the growth and development of the employee and the company. Effective performance reviews require skill and experience. The employee handbook does not describe the process but it should identify when the employee can expect the reviews. Performance reviews are based on merit, achievement, job description fulfillment and performance at each position. Wage increases are based on the review, as well as expected improvements and any necessary disciplinary action. Dependability, attitude, cooperation, adherence to all employment policies and the position salary range should be reviewed.

The performance review process is essential in the event an employee is terminated.

## **Termination – Employment-at-Will**

Courts have repeatedly upheld the employment-at-will doctrine. Employment-at-will states that either the employee or employer may terminate employment-at-will, at any time, with or without cause.

Suggested wording:

We recognize the employee's right to resign at any time for any reason; similarly we may terminate any employee at any time, with or without cause.

Although advanced notice is not required, professional custom and courtesy involves providing the employer at least a two-week written notice. Here is a list of steps to be taken that can strengthen the termination process: 1) give a warning(s), 2) review the record of past performance, 3) prepare the paperwork prior to the termination meeting, 4) tie up loose ends prior to termination, 5) time it right, 6) have someone accompany you in the meeting, 7) ensure privacy, 8) be brief, 9) watch your tone, and 10) offer respect and help.

Some companies list specific employee behavior that is so egregious that immediate firing is warranted. To protect against a lawsuit in such a case, a statement such as the following should appear with the list of unacceptable conduct. The disclaimer will prevent an employee contesting termination because of stealing, for example, because it was not on the list in the handbook.

Suggested wording of the disclaimer:

This list is intended as an example only and is not intended to indicate all those acts that could lead to employee discipline.

Some just causes for which an employee can be terminated could include criminal activity, poor performance, dishonesty, security breaches, insubordination, absenteeism, company policy violations, health and safety threats and dress code infractions.

## **Employment Categories**

If the company has employment categories, it is good to outline them in the handbook to alleviate misunderstandings. Some companies offer benefits based on employment categories (where state law permits). For example, part-time employees may or may not be eligible for group insurance, paid vacation, etc. Categories may be permanent full-time; permanent part-time; temporary full-time; temporary part-time, or part-time.

Job descriptions do not ordinarily belong in an employee handbook. However, each new employee should receive a copy of the job description for their position so that expectations are well defined and goals can be set.

## Outside Employment

Outside employment that does not interfere with the assignments at the primary job should not cause a problem. Should the outside employment interfere with the ability to fulfill the required tasks, the employee should be asked to terminate the outside employment as a requirement to continue employment at the primary job.

## Office Closing Policy

### Snow Days

Snow day policies vary depending on the location of the business and the frequency of the possibility of snow days. Often, when an employee is sent home because the office closed because of snow, the employee will be paid for the hours that would have ordinarily been worked. Some offices may require the employee to use paid time off (PTO) or take the rest of the day as time off without pay. Some mention should be made of the arrangement when an employee does not report for work because of a weather-related situation.

### Emergency Closings

Here again, it is up to the owner to identify how they will handle emergency closings. One business indicated that if operations had to be suspended for severe weather, fire, power failures, etc. that the resulting time off would be unpaid.

## Compensation

This section of the handbook outlines the compensation, work hours, vacations, holidays and other payroll items offered by the company and how they will be administered. It should clearly state requirements on rescheduling, periods when overtime is paid or not paid, information on PTO, the time frame for requesting vacation, sick time requirements, etc.

## Payroll

Tracking the record of time worked (actual time spent on the job completing assigned duties), beginning and ending times, and overtime work is the responsibility of the employee. Most companies have a specific method for recording work time. Some use paper forms, others use the computer, others, a time clock where employees punch in and out. Some have time cards. Describe what is used, how they are used, the staff person to whom they are submitted, and the schedule for submitting them.

Payroll processing options such as direct deposit, pay periods, and deductions for federal and state tax and insurance, if necessary, should all be outlined.

## Working Hours and Reporting

Identify the working hours, the days of the week the business is open, and the number of hours to qualify as a full and/or part-time employee. Stress promptness. Some companies have different working hours for the business office compared to employees that work with patients/customers. It may be necessary at certain times or for certain personnel to work longer hours to complete the job. Include that information in the policy. Some companies identify the personnel who rotate through specific positions that always work late.

Be sure to address that short absences or appointments should be scheduled during non-working hours and with the approval of the supervisor. Add the importance of serving patients/customers during times when it is convenient for them. If short absences or appointments must be scheduled during the workday, they should be made when they will cause the least inconvenience to the staff.

## Wage and Salary

Salary is determined when the employee is hired and is reviewed on an annual basis. It may be easiest for subsequent salary adjustments to become effective on January 1 each year. Salary increases are not guaranteed nor are they made uniformly. Salaries are confidential and should not be discussed with other employees. Violations are considered a breach of ethics.

Some factors that influence salary adjustments are listed here. Choose those that most represent the business's philosophy and overall goals:

- Salary range for that position
- Salary range for other businesses of similar size and composition
- Training, experience, tenure, education and certification of employee
- Longevity
- Performance in areas of responsibility
- Professional demeanor, attitude, contribution to the positive morale of the staff
- Initiative
- Attendance, punctuality, willingness to work additional days and hours
- Contribution to the business, in terms of quality of client services and maintaining peak efficiency in daily duties
- Ability to receive and carry out instructions and adhere to the company's policies and procedures

## Overtime

Overtime is performed when necessary and with advance approval by the supervisor. Overtime is paid in a variety of ways depending on the employee's category. For example, a full time non-exempt employee could receive time and a half for time worked more than 40 hours during a single workweek; full time employees will be paid double time for hours worked on holidays; part-time employees will be paid one and a half times the regular rate of pay for working on

a company holiday. Exempt employees are not entitled to overtime pay. Overtime will be paid in the pay period following the period of overtime.

## Holidays

Be sure to clearly identify holidays and special events and define how they will be paid. Traditionally, the following paid holidays are provided: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. If "floating holidays" are provided, be sure, as a small business, that the company can afford them.

There are conditions that should clearly identify how holidays will be paid. Some of the conditions that may affect how a holiday is paid include: if the holiday occurs during vacation, or on a scheduled day off, will it be paid or not? Will another day be made available? How will the holiday be handled if it falls on a Saturday or Sunday? Some companies state that they will observe the days recognized by government closings.

On what basis will a holiday be paid? Here are some examples:

**Example A:** Holiday pay for hourly employees will be determined on the basis of average daily hours worked in the preceding six months. Employees with fewer than six months' employment will have their pay based on the average number of hours worked per week to that date.

**Example B:** Schedule for Paid Time Off (based on the average hours worked per week during the previous calendar year). This could be used to determine paid sick leave and vacation as well.

<i>Average work week</i>	<i>Hours paid</i>
Less than 16 hours	0
16-23 hours	4
24-31 hours	6
32 hours or more	8

**Example C:** Employees who are scheduled to work less than 20 hours per week are not entitled to the holiday paid benefit.

## Vacations

The vacation policy should define who is eligible, the rate at which vacations accrue, the carryover policy if there is one, and what happens to vacation in the event of separation from the company.

Here are some examples of company vacation policies:

- Unused vacation cannot be carried into subsequent years.
- Pay in lieu of vacation is generally not provided.
- Vacations can be taken in individual days, subject to employer approval. Options: full days or half days and or by the hour but not less than one hour.
- Time preferences will be granted on basis of seniority, then first come, first served.
- Conflict of dates or hours will be at the sole discretion of the Office Manager.

- Specific weeks (i.e. the week of Easter, Christmas, etc.) as well as specific days (Friday after Thanksgiving, Good Friday, Fridays before a Monday holiday) will be rotated among staff.

Some companies require that employees request vacation time well in advance. If so, this should be addressed in the policy. Who approves vacations should also be named.

Sample wording of a variety of different vacation policies:

**Example A:** Each employee working twenty or more hours per week earns two weeks of vacation with pay at the end of one year of continuous employment. After six months, one-half of the two weeks can be taken. Beginning with the sixth year, three weeks vacation with pay will accrue. After ten years of employment, four weeks vacation with pay will be accrued.

**Example B:** Instead of identifying individual vacation, sick time, personal days, (holidays not included) they can be consolidated into a Paid Time Off (PTO) arrangement as follows:

All full-time and part-time employees, whose work week is 20 hours or more, are eligible to accrue PTO. Those working less are not eligible.

Benefits are accrued beginning on the date of hire, according to the number of hours paid per pay period. Accrual rates will vary based on the number of years of service, determined at each employee's anniversary date. The following table lists the various accrual rates.

#### Accrual Rates

<i>Years of Service</i>	<i>Maximum Annual Benefit</i>	<i>Accrual Rate Per Hour Paid</i>
0-3	72 hours	.0346
4-9	112 hours	.0538
Over 9	192 hours	.0923

Additional clarification may be necessary, such as:

- Upon depletion of the PTO balance, unpaid time off must be authorized in advance by the supervisor, and is dependent on staffing needs.
- PTO may be taken in less than full day increments but not less than one-hour increments.
- A full week vacation must use a full week of PTO time based on an equivalent normal work week for that employee.

**Example C:** Individuals working twenty hours or more per week but less than thirty hours per week will receive four hour of PTO per each six months of employment. Individuals working thirty or more hours per week will receive eight hours of PTO per each six months of employment.

**Example D:** Individuals who have worked an average of at least twenty hours per week, but less than thirty hours per week in the preceding six months, will be entitled to eight hours of PTO per year. Individuals who have worked an average of thirty hours or more per week will be eligible for sixteen hours of PTO.

#### Paid Time Off (PTO)

Paid Time Off is a consolidation of vacation, personal days, and short term sick leave into an accrued number of hours of paid leave per year, based upon years of service and paid hours.

PTO is compensated at the normal hourly rate.

Some companies may prefer to set up PTO rather than have a vacation, sick leave and personal day policy. Some of the examples above will help build the verbiage for that policy.

Employees who resign in good standing and give proper notice of termination are entitled to receive payment for accrued vacation. Employees who terminate with less than 6 months service are not eligible to be paid accrued vacation.

## **Leave of Absence**

### **Family Medical Leave**

The Family Medical Leave Act of 1993 is applicable to companies with more than 50 employees. The Act requires that employers provide up to 12 weeks of unpaid leave in specified situations.

The Family Medical Leave Act is complicated and is complex to integrate with other policies covering absences. It is strongly suggested that legal counsel or a human resource professional be consulted when updating the employee handbook to ensure that federal and state laws are addressed.

### **Sick Leave and Worker's Compensation**

Companies provide sick leave and/or short term disability (STD) to aid employees with continuation of income when they are unable to work due to illness or injury. Many set the sick time policy for full time employees only. The company may choose to set sick time for part time employees. There are no legal requirements for paid sick leave.

A range of 3 to 10 paid sick days per year is common. However, some companies allow for sick time to be accumulated at the rate of one-half day each month to a total of 15 working days.

If an employee is away from work due to sickness or injury for three or more consecutive scheduled workdays, a medical certificate may be requested from the employee's physician.

It is the employee's responsibility to notify the supervisor of his or her inability to appear for work.

Some employers allow carrying the balance of unused sick leave to the next year up to a limited number of hours. At the end of each calendar year, those hours in excess of the allowable balance will be removed from the employee's balance.

Sick leave may be taken in hourly increments for non-exempt employees, while exempt employees will be charged for sick leave for full day absences only.

Available sick leave can be used due to the birth or adoption of a child by an employee.

The following illustrates several sick leave policies and issues to consider:

**Example A:** Employees are eligible for sick leave after completion of 90 calendar days of service and if they work at least thirty hours per week. Sick pay is made at the same rate as the employee's salary and is subject to the same withholding elections.

**Example B:** Sick leave/short term disability is provided to employees scheduled to work 16 hours or more per week. Employees who work less than 16 hours per week or are temporary employees are not eligible for this benefit.

Eligible employees accrue Sick Leave/STD benefits based on their date of hire at a rate of .03846 of all paid hours (maximum 40 hours per week). This equates to a maximum annual accrual based on 40 hours per week, of 80 hours.

**Example C:** Sick Leave/STD benefits may only be used after two consecutive days have been missed due to illness or injury. It is the intent of the employer that the employee use PTO benefits for the first two days of any illness or injury. Beginning with the third day of missed work due to illness or injury, sick leave/STD benefits will be paid at the employee's base rate of pay, but only for the days the employee is scheduled to work, based on their average work week.

Industrial accidents and illnesses are covered by Worker's Compensation insurance pursuant to the requirements of state laws. The sick leave policy does not apply to illnesses or injuries that are covered by applicable worker's compensation policy. Refer to Worker's Compensation for more information.

## Maternity Leave

If applicable, be sure to take into consideration the Family and Medical Leave Act (FMLA) when drafting the maternity leave policy.

It is the choice of the business how the maternity leave is arranged. Some companies allow for use of accumulated sick leave, others allow for use of the accumulated sick leave as well as PTO. Six weeks leave of absence is generally granted after pregnancy. Some companies permit time off prior to delivery to be considered part of the six weeks while others allow for use of PTO. A written approval from the employee's physician may or may not be required upon returning to work.

This same arrangement is made for employees following the adoption of a child.

The request for an excused absence because of pregnancy-related disability should be evaluated in accordance with applicable federal and state laws.

## Funeral Leave

Paid bereavement leave of three days is granted for immediate family. Define "immediate family." It may include only spouse and child. Or, it may be extended to also include parents, brothers, sisters, mother-in-law, father-in-law, daughter-in-law, son-in-law, grandparents, or grandchildren. If additional days are requested, approval is to be obtained from the immediate supervisor and department head. Pay for the extra days can be based on either accrued vacation or if no accrued time is available, the additional days will be unpaid.

The immediate supervisor and the department head must approve funeral leave for deaths of other than immediate family. It is recommended that such absence is limited to two days and is unpaid.

## **Jury Duty**

Most companies provide paid time off for jury duty. Salary will be paid for a period not to exceed four weeks. The jury fees paid will be subtracted except those for transportation, which will be retained by the employee. The salary will be paid based on the average amount paid during the six months preceding the jury duty. Proof of service must be provided.

Should the absence of an employee for jury duty be detrimental to the operation of the company, you can request to the court that the service be postponed.

## **Military Service - USERRA**

Sources:

- SBA Online Women's Business Center
- *A Concise Guide to Successful Employment Practices* by J.D. Thorne, p. 49
- *Military Leave Rights and the Obligations of the Nation's Employers, 9/01* Lettler Mendelson (The National Employment & Labor Law Firm) Washington, D.C.
- *A Non-Technical Resource Guide to the Uniformed Services Employment and Reemployment Rights Act (USERRA)*
- State of Wisconsin Vol. 14, No, 19 and Vol. 18, No. 23

This section contains more detail on this subject than most of the others. This is due to the fact that most small employers are not familiar with the statutes. In addition to federal law, states also have statutes that should be reviewed should an employee be required to report for duty.

## **Short-Term Military Leave**

Leave of absences for military service can be for full-time active duty, active duty for training, inactive duty training, two-week reserve and weekend short-term military absence. Short-term military leave is defined as military encampment or emergency active duty call-up leave for such things as civil disturbances, common natural disasters, etc. for up to 10 working days or less.

For the two week reserve duty or other call-ups, some companies pay one week's base pay while the employee can elect to use accrued vacation time for the second week. Others will pay the difference between regular salary and military pay. If the call-up is longer than ten days, the company may choose not to have salary continuation.

## **Extended Military Service**

In reviewing many employee handbooks, almost none of them make reference to the rules and regulations regarding the employer and employee responsibilities contained in the federal statute relative to active military service. Therefore, sections of the statute and their respective sites in the statute, although lengthy, are here included for easy reference and information.

## **Uniformed Services Employment and Reemployment Rights Act (USERRA)**

On October 13, 1994, the Uniformed Services Employment and Reemployment Rights Act (USERRA) was passed. This is the primary law that applies to employees who undertake military service. The Act provides job and benefit protection rights for members of the uniformed services. The Act applies to all employers, regardless of size, and includes federal and state government and political subdivisions.

In this regard, federal law requires employers to give re-employment rights to people who leave their jobs to serve in the Armed Force, if such people satisfactorily complete the period of active duty and have a certificate to that effect. Such employees generally are eligible for re-employment rights if they serve not more than four years of active duty or five years if such duty is extended at government request.

USERRA prohibits employers from discriminating against individuals who are members of, apply to be members who perform, apply to perform, or have service obligations in the uniformed service. An employer may not refuse to hire an employee because he or she serves in the military reserves. An employer may not terminate an employee because he or she is called to active duty or enlists in the military.

In order to qualify for coverage under USERRA, an individual must be absent from work because of “service in the uniformed services.”

“Uniformed services” broadly includes the Army, Navy, Air Force, Marines, Coast Guard, Army Reserve, Naval Reserve, Marine Reserve, Air Force Reserve or Coast Guard Reserve, Army National Guard or Air National Guard, commissioned Corps of the Public Health Service when engaged in active duty for training, inactive duty training and any other category of persons designated by the President in time of war or emergency.

An employee is required to provide the employer with advance written or oral notice of their service obligations. Written notice typically consists of a copy of the military orders, training notices or induction information. It may be provided by the employee or by an appropriate officer of the branch of the military in which the employee will serve.

The information in this part of the document paraphrases the various sections of the Act, and identifies the section of the Act to which it refers.

## Compensation During Leave

Employers are not required to compensate employees for absences due to military service. Some employers adopt flexible policies for compensating employees in service. For example, some employers pay their employees the difference between what they receive from the armed forces and their regular company salary. Others continue full payment of wages for at least a limited period of time. Others will grant the leave of absence without pay. If the employee extends his/her total period of military service beyond four years, the individual loses his/her employment rights.

Employees on leave are entitled to the same benefits provided to employees on other forms of leave. For example, if an employer provides employees on other types of unpaid leave with continued health insurance, life insurance, disability insurance, or other benefits, then these same benefits must be provided to employees on military leave.

## Report Back to Work

Section 4312(e)

USERRA provides that after an employee's service is completed, they have a certain amount of time within which to notify their employers that they are ready to return to work. The length of time varies depending upon the length of the employee's service and may be expended up to two years if the individual is convalescing from a service-related illness or injury. If the employee does not conform to these time limits, they do not lose any reinstatement rights, but will become subject to the employer's regular absenteeism policy.

## Right to Reinstatement

*For a person whose military service lasted 1 to 90 days*

Section 4313 (a) (1) (A) & (B)

They must be reemployed in the position they would have attained if they had been continuously employed, so long as they are qualified for the job or can become qualified after reasonable efforts. If the individual is not qualified for that position, the individual must be reemployed in the position they left prior to military service or in a position that is the nearest approximation of that position. An employer may not offer "other jobs" of equivalent status.

*For a person whose military service lasted 91 or more days*

Section 4313 (a) (2)

The Act requires that they be reemployed in a position that they would have attained if continuously employed, so long as they are qualified or can become

qualified for the job. If the individual cannot become qualified, the employer is obligated to reemploy that employee in his or her former position, or in a position of equivalent seniority, status, and pay. If individuals cannot qualify for the position they would have attained, their former positions, or a position of equivalent seniority, status, and pay, they must be placed in a position of “like status” for which they are qualified.

Employees returning from military leave are entitled to the seniority and other rights and benefits determined by seniority that they would have attained had they not gone on leave. Additionally, employees returning from military leave are entitled to non-seniority-based rights and benefits established by contract, practice, policy or agreement in effect at the beginning of their military service or implemented during the leave.

## **Health Benefits**

### Section 4317

Employers must also provide the option of COBRA-like health plan coverage for employees on military leave, as well as for their eligible dependents. Unlike COBRA, USERRA requires all qualified employers that provide health plans to offer this continuation of coverage. Coverage must be continued for the lesser of the 18-month period starting from the date the employee’s absence begins, or the day after the date on which the employee fails to apply for or return to work.

Service members may be required to pay the employee cost, if any, of any funded benefit to the extent that other employees on leave of absence would be required to pay. (Section 4316 (b) (4))

## **Discharge from Employment**

### Section 4317 (a) (1)

Among additional benefits for employees, USERRA provides that any employee who is reinstated pursuant to the Act may be discharged only for cause during a defined period of time after he or she returns to work. The length of the protected employment term depends on the amount of time the employee spent in the service.

## **Disabilities Incurred or Aggravated While in Military Service**

### Section 4313 (a) (3)

For persons with disabilities incurred or aggravated while in military service, this three-part reemployment scheme is required:

1. The employer must make reasonable efforts to accommodate a person's disability so that the person can perform the position that person would have held if the person had remained continuously employed.
2. If, despite reasonable accommodation efforts, the person is not qualified for the position, the person must be employed in a position of equivalent seniority, status, and pay, so long as the employee is qualified to perform the duties of the position or could be come qualified to perform them with reasonable efforts by the employer.
3. If the person does not become qualified for the position in 1 or 2 above, the person must be employed in a position most nearly approximates the position in 2 in terms of seniority, status and pay.

The law covers all employers, regardless of size.

## **Pension Contributions**

### Section 4318

If a person has been absent for military service for 91 or more days, an employer may delay making retroactive pension contributions until the person submits satisfactory documentation. However, contributions will still have to be made for persons who are absent for 90 or fewer days.

Refer to this section of the statute for more details: Wisconsin Specific - Vol. No. 19 12/26/97

Employers must provide pension credit and all seniority-based benefits to employees who serve. The amount of credit cannot exceed the amount the person would have received had he or she remained continuously employed. The computation of employer and employee contributions to the Wisconsin Retirement System (WRS) is based on what the employee would have earned from the employer if he or she had not been absent for service in the uniformed services. The computation is not based on what the person earned from the uniformed service.

To satisfy the requirements of the act for WRS purposes an employer must do one of the following: 1) keep the employee on a paid leave of absence and continue to report earnings and hours to the WRS and complete the required reporting; 2) pay the employee the difference in earnings from what he or she is receiving a payment for military service. Details as to reporting requirements are to be followed; or 3) put the employee on an unpaid leave of absence for the entire time of military duty. Reporting requirements are to be followed.

For the employee to receive retirement credit the following is to be provided: 1) notification to employer that he she is going on military leave; 2) leave the military under honorable conditions; and 3) return to the same employer within the following time limits:

- Less than 31 days, report to work the next regularly scheduled workday after

receiving adequate travel and rest.

- 31 to 180 days, return to work within 14 days after completion of service.
- More than 180 days, return to work within 90 days after completion of service.

Questions on WRS reporting can be directed to the State of Wisconsin Division of Employer Services at 608-266-8411.

### **Life Insurance Coverage During Military Leave – State and Local Life Employers**

Wisconsin Specific – Vol. 18, No. 23 12/28/01

The Group Insurance Board made an amendment to the Wisconsin Public Employers (WPE) Group Life Insurance contract, deleting the provision that requires life insurance coverage be discontinued within 60 days for employees on military leave who are serving in a war. This ensures employees who are serving in a war will be able to continue insurance coverage on the same basis as any employee who is on leave of absence. Coverage may continue up to 36 months if the employee continues to pay premiums. The employer must continue to pay the employer share of the premium for as long as the insurance is in force.

This amendment ensures that the plan is in compliance with USERRA.

For information on claims payable due to military action and exclusions in life insurance benefit coverage, contact the State of Wisconsin WPE life insurance program at 608-266-2640.

### **Documentation Upon Return Section 4312 (f)**

For absences for a period of service of 31 days or more, the employer has the right to request documentation showing that: 1) a person's application for reemployment is timely; 2) the person has not exceeded the five-year service limitation; and 3) the person's separation from service was other than disqualifying under Section 4304.

### **Vacation Pay Section 4316 (d)**

Upon request, service members must be permitted to use any vacation that had accrued before the beginning of their military service instead of unpaid leave. Service members cannot be forced to use vacation time for military service.

## **Discrimination Section 4311 (a)**

The law protects from discrimination past members, current members and persons who apply to be a member of any of the branches of the uniformed services.

## **Reprisals Section 4311 (b)**

Employers are prohibited from retaliating against anyone who files a complaint under the law; who testifies, assists or otherwise participates in an investigation or proceeding under the law; or who exercises any right provided under the law, whether or not the person has performed military service.

## **Enforcement of the Law Section 4331 (a)**

The Secretary of Labor is the responsible agency, empowered to issue regulations that implement the statute.

## **State Law**

All states impose additional obligations on employers with respect to military leave. USERRA is merely a “floor” of benefits for employers, and states are free to increase the benefits and rights employers must provide. Employers must refer to all applicable state statutes when determining their obligations.

The following is an aside, provided for reference and information, not necessarily to be included in an employee handbook.

## **Help for Small Businesses**

The US Small Business Administration (SBA) funds loans designed to alleviate the financial impact on small employers from employees taking military leave for eligible small businesses. Known as the Military Reservist Economic Injury Disaster Loan Program, it provides funds to eligible small businesses for the purpose of meeting ordinary and necessary operating expenses that cannot be satisfied because an essential employee was recalled to active duty in their role as a reservist.

For additional information refer to the following web sites:

- <http://etf.wi.gov/empl/eba122801.htm>
- <http://www.dol.gov>
- “E-Laws” section of the Department of Labor’s home page also contains many questions and answers about the statute.
- Questions regarding USERRA can be directed to Veterans Employment and Training Representative, U.S. Department of Labor at 608-266-3110.

## Benefits

This section enumerates the benefits offered by the company and details how benefits are administered. This is a very important issue for employees and should be addressed soon after employment. Such things as insurances, retirement plan, sick leave, maternity leave, personal leave, jury duty, tuition assistance, etc., should be identified as well as the time frame for an employee to qualify for the benefit. Many benefits are listed here to provide ideas as to the types of benefits employers offer their employees. They are not listed to indicate that all of these benefits should be offered by employers to their employees, but if they are, suggested criteria and requirements are included.

### Group Health Insurance

Most employees consider group insurance one of the most important benefits they receive from their employer. There are new opportunities available for small businesses to control costs through changes in the benefit package and how they are administered. Seek assistance from an insurance professional when considering changing an existing plan or adding benefits to the package.

The insurance company will provide prepared material for distribution to the employees. The employee handbook need not provide detailed information on the plans, but simply give an overview of the type of coverage, who is eligible for it and direct the employee to where they can find the plan policy.

Sample wording:

A group health insurance plan is available to employees who work an average of 30 hours per week and \_\_\_\_% of the premium is paid by the employer. \_\_\_\_% is the responsible of the employee and may be deducted from the paycheck on a pre-tax basis.

Some employers may make part-time employees eligible who work at least twenty-five hours a week and have completed ninety calendar days of employment.

### Short-Term Disability

Short-term disability (STD) benefits are designed to provide a paycheck to employees during periods of serious illness resulting in total disability. The employees generally bear no cost for this plan benefit. Generally all sick leave must be exhausted and the initial 10 day waiting period met before an employee can request STD benefits.

Under STD, benefits for eligible employees are the amount of a monthly benefit provided by a disability income policy and may be stated as a percentage of income or as a set dollar amount. The amount of benefit is usually based on a percentage of the gross earnings, normally around 60%. This does not include overtime, bonus, vacation or any other accrued paid leave or additional compensation. The plan document will outline the benefits. Group health

benefits continue on the same basis as prior to the onset of the STD benefit. STD benefits are subject to payroll withholding elections which were in effect prior to the short term disability.

The employee is to provide the supervisor with the treating doctor's statement and the employer can require a second and third opinion. A doctor's release is to be provided upon return to work.

### **Life Insurance**

Life insurance is sometimes made available to employees who work 20 or more hours a week. The coverage is fully paid by the employer. The death benefit may vary depending on the coverage purchased. Upon employment, the employee is asked to complete an insurance application and designate a beneficiary.

### **Continuation of Medical/COBRA**

Companies with 20 or more employees are subject to COBRA laws, and must provide continuation of medical/health plans to eligible employees. The employee pays the premium after separation from the company. The employee handbook should make reference to COBRA but need not provide a complete description of the benefit until termination.

### **Dental Benefits**

Dental benefits may be provided based on the employer paying for the premium for the single and family or by providing the coverage through an insurance company with the employee paying the premium. If the employer has a Cafeteria Plan, the employee may pay for the premium out of the pre-tax amount the employee puts into the plan. Some employers may arrange for a specified amount of dental care that will be reimbursed by the employer to the employee up to a certain maximum amount on a per year basis. No premiums are collected and the company can easily administer the benefit.

### **Worker's Compensation**

Worker's Compensation laws vary from state to state. Many states require that businesses carry worker's compensation insurance. Information on the insurance company administering the plan is displayed in the work area. The employer pays the costs of the plans. For those companies that have this insurance, the handbook should require that the employee immediately notify the supervisor of any injuries sustained while on the job. The supervisor will notify the administrator. The worker's compensation insurance company representative will contact the employee. The employee should get immediate

medical attention. All medical expenses related to the treatment of the injury are paid in full directly to the medical providers. Additional information can be found in the section on Sick Leave.

## **Retirement Plans**

Many small businesses believe they cannot afford retirement plans for themselves and their employees. There are some low cost options that can be a great benefit for employees that fulfill certain requirements and/or for long term employees. Seek the help of a professional to provide and evaluate alternative plans.

If the business has a retirement plan, the employee handbook can briefly describe it and then refer the employee to the plan document.

## **Tuition Assistance**

Offering tuition assistance is an excellent way of supporting the growth of employees and increasing the company knowledge base. Some companies pay for courses which are directly related to the present job or which will help prepare the employee for more responsibilities and promotions. The supervisor should approve all courses. Generally, course payment is for employees who work a specified number of hours a week; for example, 30 regular hours or more. Reimbursement for the courses is made after the course is complete. Some companies require that a certain grade be achieved. Some companies pay for books and materials if they are related to the customer service industry. Often, maximum dollar amounts per year are also set in a degree program and a lesser amount for other courses and seminars. Some companies require a form be completed and reviewed prior to enrollment in any course or seminar.

## **Employee Assistance Program**

Many companies have established Employee Assistance Plans (EAP's) to help employees recognize and deal with problems that impact their lives. Professional companies generally administer EAP's in a confidential manner. The services offered by an EAP vary greatly and can be customized to meet the needs of the employer and its employees. Employees should be encouraged to seek assistance with personal and work problems by calling a confidential number. Specific plan arrangements are provided to employees on a regular basis. This is an employer-paid benefit.

## **Meetings and Seminars**

Some companies reimburse meeting and seminar registration fees after approval to attend has been obtained from the appropriate person in the company. Depending on the policy of the company, an employee may be

compensated when attending a meeting or seminar on a day he or she is not scheduled to work.

## **Other Benefits**

Listed below are other benefits an employer may consider for their employees. Only brief explanations about each are usually sufficient for the employee handbook. Most programs will have detailed documents to which the employee is to refer.

### *Credit Union*

If the company participates in a credit union, spell out the rewards and guidelines of membership. Refer the employee to appropriate documents from the Credit Union.

### *Employee Referral Programs*

Cash awards may be given to employees for recruiting new employees. The company decides on the amount of award and service time new employees must put in prior to the referring employee collecting the award.

### *Idea Incentive Awards*

Idea incentive awards encourage employees to submit ideas which could save the company money or increase efficiency. The company should establish a scale on which the employee would be paid upon implementation of the idea if it is projected to save money over the long run, in a lump sum if it is a one time economizer, or whatever calculation works for the company.

### *Service Commendations*

Employees may be awarded appropriate gifts at specific increments of employment, such as five years, ten years, etc. Gifts vary with the years worked.

### *Employee Purchases*

Set forth the policy for employees purchasing any goods manufactured by the company, equipment or supplies the company is disposing of, or for merchandise with the company logo.

### *Annual Physical Examinations, Immunizations, Etc.*

Healthy employees are productive employees. Some companies encourage yearly physical exams by reimbursing a specific amount toward the expense charged by a licensed general physician. Some companies reduce the employee portion of the medical insurance premium a designated amount depending on participation in a health assessment program or yearly physicals. Determine eligibility and service time threshold for eligibility as well as the type of paperwork and personnel to be involved. The company may also offer clinics for blood pressure, diabetes screening, cholesterol screening, flu shots, etc.

## Compliance & Regulatory Requirements

### Licensure/Certification

When hiring a person who by law is required to have a license or certification from the state, be sure to obtain a copy of the license or certification. Pay attention to the renewal dates to ensure that the person is current.

### OSHA

The Occupational Safety and Health Administration (OSHA) is a federal agency that protects the health and safety of employees within the workplace. OSHA has a set of federal regulations that apply to health care professionals. A number of activities are regulated by OSHA: garbage and waste disposal, needle sticks, needle safety reviews, bloodborne pathogens and sterilization guidelines, and many more.

New employees will receive OSHA training and testing within thirty days of employment. Annual training and updates will be provided as needed. New employees should be required to read the OSHA Policy Manual and conform to the guidelines listed.

The state components of OSHA include the enforcement side, as well as compliance specialists who are in place to assist employers with compliance-related issues. Training requirements and recordkeeping regulations can be found at <http://www.osha.gov/Publications/Osha3129.pdf>.

The Centers for Disease Control (CDC) has a specific set of guidelines for proper sterilization of health care office instruments and equipment.

### HIPAA

The Health Insurance Portability and Accountability Act (HIPAA) was signed into law in 1996. Effective dates were April 14, 2003 for privacy compliance, and October 16, 2003 for the electronic transactions and code sets compliance. HIPAA has multiple initiatives that affect employers, employees and other covered entities. There are numerous requirements for training of employees, patient privacy, recordkeeping, filing certain documents, etc. Medical and dental practices must have a HIPAA Compliance Manual. The Office for Civil Rights provides oversight.

To stay current, see <http://www.hhs.gov/ocr/hipaa>.

### CPR Certification

Each state may have varying regulations regarding CPR certification. For example, in order for dentists and hygienists to be licensed in Wisconsin, they must be

certified in CPR. The certificate is usually good for either one or two years; however, check with the company who conducted the training to confirm length of certification. Pediatric dental practices should be certified in CPR for children. The Dentistry Examining Board or the responsible agency in each state sets the standards the CPR certification course must follow. Many must have the approval of either the American Red Cross or the American Heart Association. If a new employee is not certified, certification must be obtained within thirty days of employment.

## Immigration Law Compliance

The company should state that they intend to employ United States citizens and aliens who are authorized to be employed in the United States. Each new employee and former employee rehired must complete an Employment Eligibility Verification Form I-9 and provide documentation of identity and employment eligibility in conformity with the Immigration and Reform Act of 1986. Completion of the form is a condition of employment.

## Forms

It is logical to have blank forms attached to the handbook for ready reference when they are needed. Different forms are needed for different businesses. Consider including blank forms regarding sick leaves, vacations, seminar attendance, subcontractor contracts, requests for a quotation, grievance filing, travel reimbursement, performance reviews, pay advances and accident reports.

Consider including these items: area/plant maps, a parking pass, an organizational chart, phone lists, a statement regarding the confidential nature of the business, and policies addressing gifts, use of company cars, traffic tickets and personal telephone calls.

## Disclaimer

The disclaimer sets in place the fact that the policies in the handbook can be changed at the discretion of the business.

Suggested wording:

The Employee Handbook for *Company Name* can be changed at the discretion of *Company Name*. Any changes, additions or deletions will be communicated to each employee in a written memorandum. Each employee will be required to sign an acknowledgment that they have read and understand the change. Each employee will also be responsible for entering the change in their own copy of the Employee Handbook.

Because of the necessity of being sensitive to many statutes, words that may imply what is not intended, or overly-restrictive language, it is advisable to have an

attorney review the handbook before it is distributed to employees. This will also ensure it complies with state law.

A final statement should be included that the employee handbook is not an employment contract.

## Effective Date

List the effective date of the employee handbook.

## Conclusion

The actual policies included in the handbook will vary from company to company, depending on its size, number of employees and benefits offered. However, prior to hiring the first employee, it is best to take the time to think through the policies for the company.

Employees want to know what is expected of them, and the busy manager or business owner often does not have time to verbally describe every policy, workplace procedure and benefit in detail. The employee handbook can be an effective solution in providing employees important and useful information.

**This is not to be meant as a complete compilation, nor is it a legal document. It is advised to contact your legal counsel upon drafting an employee handbook.**

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