



HR Toolkit:

# HR Department of One

Provided by:



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# Introduction

The HR department is a critical facet of any organization. The department is responsible for vital tasks like hiring, benefits administration, employee welfare and so much more. Yet, despite its importance, organizations often devote only a handful of people to its operation—in some cases, only one person.

This toolkit is intended to help individuals who are tasked with running an entire HR department. Within, you will find best practices for keeping tasks running smoothly, onboarding the best people, keeping payroll on time and other helpful tips.

Note that this toolkit is not exhaustive, so you may have questions that aren't addressed here. Through our partnership, you have access to many other supporting resources, so please contact us for more guidance or resources on a particular topic.

Being an HR department of one can feel intimidating, but you aren't alone. Review this toolkit and reach out to Horst Insurance with any questions.



# Solo HR Best Practices

HR departments toe the line between being employee champions and organizational watchdogs. At its core, HR is primarily focused on ensuring employees maintain a good working relationship with their employer. This means HR teams are often filled by altruistic individuals who have an eye for employee well-being.

However, when teams are slimmed down—in some cases just to one person—HR can begin to tread water, to the detriment of employees. With all the other responsibilities required of HR, a department of one might need to prioritize day-to-day administration over larger, employee-focused initiatives.

This section offers some best practices to help HR professionals nail down the necessary administrative duties of their department so they can better focus their efforts on helping employees and the organization grow.

## Overview

No matter the HR department's size, it's crucial for team members to have the resources and expertise to manage the latest compliance updates. Knowledge about aspects like tax obligations and hiring discrimination guidelines can seem distantly related but are equally crucial. This illustrates the breadth of understanding required to avoid costly state and federal penalties for noncompliance.

## Big-picture Tips for Success

Before jumping into the rest of the toolkit, here are some general tips for succeeding as an HR department of one:

- **Understand the basics of employment law.** Basic knowledge can go a long way, even if just to help you locate appropriate answers to your legal questions.
- **Get on good terms with your benefits broker.** Your broker is your trusted advisor who can help keep costs down and employee morale up.
- **Standardize as much as possible.** Document processes like hiring, onboarding, posting job openings and other tasks so you don't have to reinvent the wheel each time.
- **Know who to call for support.** Having an experienced HR consultant or employment attorney to contact can be an invaluable lifeline.
- **Automate when possible.** HR technology solutions can help streamline tasks like recruiting, maintaining benefits elections records, organizing payroll and much more.
- **Branch out.** Networking with other HR professionals—via professional organizations or online—can keep you apprised of changing legislation and advice from others in the industry.

## Budgeting Best Practices

Budgeting can be an intimidating task, especially for solo HR teams. Depending on the employer size, HR might be in charge of hiring for the entire organization, developing new employees, acquiring new technologies and much more. Here are five categories to keep in mind—regardless of organizational size—when planning a budget:



### 1. Talent Acquisition

A lot goes into recruiting and hiring. Advertisements, special recruiting events, talent agency fees, public website maintenance—all these small components add up. Consider everything that currently goes into hiring for the organization. Do you use a third party for recruiting? How many advertisements do you post? Are you drawing from the same talent “wells” each cycle? Thinking about these costs will help inform your budgeting and determine whether you should be allocating more funds, depending on your current hiring success. For instance, if you stay under budget each year but struggle to find suitable employees, perhaps you should allocate more funds toward advertisements or recruiting events.



### 2. Total Compensation

Total compensation includes employee salaries and overtime pay, but it also includes benefits and their administration. Keep this in mind when budgeting, as these costs can add up quickly. Beyond salaries, consider how much is spent administering open enrollment (e.g., printing costs, software licensing and training seminars) and all the benefits included therein. Premiums and other benefit pricing factors tend to increase each year, so simply using last year’s budget won’t work. An organization may also change how much it contributes to employees’ benefits, so be sure to account for that fluctuation. For instance, your organization may choose to cover more health insurance costs for employees as a retention incentive.



### 3. New Employee Training

Training new employees is not an easy—or cheap—endeavor. Elements like third-party trainers, certification costs, learning software, paper and pens, and printing costs all factor in. If it’s necessary to send employees to off-site training, include travel-related expenses as well. Consider all these aspects when creating the budget.



### 4. Employee Rewards and Enrichment

Employees often need incentives to continue producing high-quality work. Initiatives like rewarding top performers with gift cards or hosting an all-expenses-paid happy hour after a busy month can make employees feel like their work is appreciated. Beyond rewarding hard work, enriching employees through on-site wellness programs or continuing education opportunities are also popular trends. Think about all the ways the organization incentivizes employees beyond the traditional benefits—and budget for these elements.



## 5. HR Administrative Tools

HR administration can be tedious and involves tons of paperwork. That's why organizations are gravitating toward technology solutions. Why print out 100 enrollment forms when there's a paperless version online? If an organization uses HR administrative tools or is considering purchasing a solution, make sure to include that pricing in the budget. Many tools are subscription-based, so they'll need to be budgeted for each year, not just the year it was purchased. If another party manages any tools or services, be sure to consider their fees as well.

## Tax Obligations Best Practices

### Federal Payroll Taxes

Organizations are required to withhold payroll taxes as part of their federal tax obligation. The specific amounts to withhold can be determined by employees' Form W-4s and [tax guides](#) provided by the IRS. Payroll taxes generally include Social Security and Medicare withholdings.

### State and Local Taxes

Businesses might also need to pay state and local taxes. Tax laws vary by location and [business structure](#), so check with state and local governments to know an organization's [employment tax obligations](#).

If the organization has employees, it is responsible for paying state employment taxes. These vary by state but often include workers' compensation insurance, unemployment insurance taxes and temporary disability insurance. Organizations might also be responsible for withholding employee income tax. Check with your state tax authority to find out how much to withhold and when to send it to the state.

## Payroll Best Practices

Payroll is a complex yet vital task for any organization. Many businesses choose to use a payroll vendor to help them establish a system and ensure compliance. Some even have the vendor operate the payroll system entirely, shifting all responsibility to them.

If you decide to handle payroll yourself, you must be aware of all the facets of payroll compliance. This includes wage and hour laws, employee classifications, overtime eligibility, recordkeeping and other minutiae.

Beyond compliance, payroll administrators must ensure that payments to employees are accurate and timely. If employees start missing checks regularly due to poor administration, compliance will be the least of your worries.

## Staffing Best Practices

Before accurately assessing an organization's staffing needs, HR professionals must speak with the appropriate stakeholders. That means sitting down with management to discuss the current and future staffing needs. Do you need part-time workers for an upcoming busy month? Are you expecting many employees to retire within the next year?

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Once the short- and long-term staffing goals of your organization are understood, work with stakeholders to estimate a budget and outline the steps needed to accomplish those goals. For example, calculate the time and resources it will take to fill each needed position.

Once you have a budget and a list of open positions, create job postings for each role. If the organization doesn't have one, develop a recruitment strategy to help channel efforts. One method is to advertise the openings in places you think would provide the most traction. This will depend on your staffing needs and the individuals you believe would best fill those roles. For example, an entry-level position might go over well if advertised at a college job fair. If you have star employees, consider asking them how they were recruited and use that as a basis for discovering similar individuals. The section below goes into more detail about the hiring process.

### **The Hiring Process at a Glance**

The following is a high-level overview of the hiring process. While each organization will differ in its practices, these are steps anyone can take to maintain a smooth hiring process.

#### **Crafting a Job Description**

Having a well-written and compliant job description is essential to an organization's success. After all, a job description is what you will use when hiring a new employee, and it will also be a candidate's first interaction with a company. As such, it's crucial that an organization's job descriptions are thorough, clear, accurate and regularly updated.

Job descriptions should be written clearly, detail job functions and duties, and list required skills, qualifications and expectations, providing examples as necessary. Well-written job descriptions are concise, free from gendered or technical language, and specific.

Make sure you include the following details when drafting job descriptions:

- Job title
- Department under which the job is listed
- Summary of essential job functions, with examples as needed
- Job duties and responsibilities
- Shift information
- Special working conditions, as necessary
- Quantity and quality of work expected
- Required skills, qualifications, licensing or certifications
- Statement that the job description is subject to change based on business necessity

After an accurate job description is ready, it's time to spread the word about the position. Think about the individuals the organization is trying to attract and go to them. Job fairs, online advertisements, active recruiting on LinkedIn and other methods are all excellent places to begin.

Here are some other strategies for successful recruiting:



- **Use internet-based recruiting, and job-posting sites and apps** to attract individuals to the company. Many individuals, especially younger ones, almost exclusively search for jobs using the internet. In addition, make sure job posts and the company's career page are mobile-friendly, as millennials are likely to use their smartphones when job searching.
- **Predict what positions will need to be filled** instead of focusing only on open positions. This will allow the organization to plan for expenses and devise a game plan for how to recruit long before there is a need.
- **Enhance the appeal of referring friends to your company** by providing monetary rewards or other gifts to current employees who refer quality job candidates for open jobs. These programs are generally successful because employees are putting their names on the line by endorsing someone else.

## Interviewing

Once the candidates are through the door, HR professionals must begin screening them. This can mean conducting evaluations or tests, but it commonly means interviewing. Many factors influence what the hiring and interview process will look like, including the company type and size, your personal interviewing style and the position in question. Regardless of the process, be sure to ask thoughtful questions to truly assess the person you're interviewing. [Find sample questions here](#) for inspiration.

Here is the basic structure of a successful interview:

1. An interview will begin with an introduction of yourself and your organization. You will typically give an overview of the company, position and any other relevant introductory information you wish to share.
2. The next step of the interview is when you ask questions and engage in conversation to gather the information you know you need.
3. Near the end, you should give the interviewee a formal opportunity to ask any questions of you. A candidate may have prepared questions for you prior to the interview, or he or she may have questions based on the information that has been exchanged during the interview thus far. This is also the time for the candidate to interview you to some degree so that he or she can determine whether the job will be a good fit.
4. Close the interview by telling the candidate what the next step(s) of the hiring process will be and when he or she can expect to hear from you. Even if you will not be moving forward in the hiring process, let the candidate know, either at this point or in a follow-up call or email.



### **Extending the Offer**

After finding the ideal candidate, HR professionals must extend an offer of employment. Business necessity should be the key to all decisions relating to hiring, placement and promotion. The same concern for neutrality in recruitment and selection language applies to offer language, too. The [following section](#) touches on language to avoid in an offer.



## Onboarding

The final step in the hiring process is onboarding. Onboarding is a process that involves teaching new hires the social and performance aspects of their jobs, introducing them to the workplace culture and helping them get acclimated as quickly as possible. Unlike a traditional orientation program, onboarding is a systematic process that extends well beyond the first day of employment. The goal of the onboarding process is to cultivate a long-term relationship between the employer and the employee while fostering a feeling of belonging and an affirmation of making the right choice.

Here are some general steps for onboarding employees successfully:

- **Be realistic about the job description.** Employees who find their work differs significantly from their job description are more likely to quit since they can't flex their skills or contribute meaningfully to the organization. As a result, companies that are more honest about their job descriptions often have less turnover.
- **Foster the manager-employee relationship from day one.** The first day is a good opportunity for managers to meet with their new hires, introduce them to other team members, treat them to lunch and make them feel comfortable.
- **Consider a mentoring program.** Assigning mentors to new hires can be highly advantageous to both parties. New hires know who to contact with questions, and mentors develop confidence and pride in their jobs.
- **Communicate management expectations early on.** It's important for the manager to communicate the department's goals, as well as how the goals are tracked. This ensures new hires are set up for success.



## Hiring Discrimination Considerations

To help avoid the expense of hiring an unqualified employee or defending a discrimination claim, HR departments should have a controlled hiring process. It's critical to make the best effort to find the most qualified candidates, and comply with both state and federal anti-discrimination laws during each stage of the hiring process.

The only way to ensure full compliance with the law is to understand what hiring discrimination looks like. First and foremost, business necessity should be the key to all decisions relating to staffing. There are a number of laws concerning hiring discrimination, so it is not a process to undergo carelessly.

Be familiar with the following federal employment laws:

- **Title VII of the Civil Rights Act of 1964**
  - Covers employers with 15 or more employees.
  - Prohibits covered employers from discriminating against employees or applicants on the basis of sex, race, color, national origin and religion.
  
- **The Americans with Disabilities Act (ADA)**
  - Covers employers with 15 or more employees.
  - Prohibits discrimination by covered employers against an otherwise qualified individual on the basis of his or her disability or perceived disability, as defined by the ADA.

Requires covered employers to provide reasonable accommodation(s) to qualified individuals—both candidates and employees—in order for them to perform the essential job functions, unless such an accommodation would impose an undue hardship on the employer. The ADA has set out four factors to determine whether a particular accommodation presents an undue hardship:

    - The nature and cost of the accommodation
    - The financial resources of the facility making the reasonable accommodation
    - The overall nature of the business, including type of operation of the employer, size, number of employees, and type and location of facilities
    - The impact of the accommodation on the operation of the facility
  - Prohibits covered employers from making disability-related inquiries and requiring medical examinations prior to making an offer.
  
- **The Age Discrimination in Employment Act (ADEA)**
  - Covers employers with 20 or more employees.

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- Prohibits a covered employer from failing or refusing to hire, discharging or otherwise discriminating against any individual based on age (40 years and older).
- **Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA)**
  - Covers employers with 15 or more employees.
  - Prohibits discrimination by covered employers against employees or applicants because of genetic information.
- **The Immigration Reform and Control Act (IRCA)**
  - Covers employers with four or more employees.
  - Prohibits discrimination by covered employers against employees or applicants based on national origin or citizenship.
  - **NOTE:** Employers should simply ask applicants whether they are lawfully able to work in the United States and if they will be able to submit the necessary documentation to complete Form I-9.
- **The Fair Credit Reporting Act (FCRA)**
  - Requires covered employers to provide notice to applicants and to obtain their authorization to complete background checks. For example, the written release and disclosure form, which the employer must obtain prior to running a consumer report, must be provided to the applicant as a stand-alone document and not attached to any other documents, such as an employment application.
  - Covers employers that use a third-party agency to conduct background checks or consumer reports, but does not cover employers that conduct background checks in-house.
- **Pregnancy Discrimination Act of 1978 (PDA)**
  - Covers employers with 15 or more employees.
  - Prohibits sex discrimination by covered employers on the basis of pregnancy, childbirth or related medical conditions.
- **Equal Pay Act of 1963 (EPA)**
  - Requires that women and men with substantially equal jobs be paid equally. Under the EPA, employers are prohibited from paying unequal wages to men and women whose jobs are performed under similar working conditions within an establishment and require equal effort, responsibility and skill.

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- Pay differentials based on seniority, merit, quantity or quality of production are known as “affirmative defenses” and are permitted provided that the employer can prove they apply.
- Applies to all employers covered by the Fair Labor Standards Act (FLSA).

Below are some best practices for avoiding potentially discriminatory actions. Keep these tips in mind when making hiring decisions.

- Avoid comments that could imply a discriminatory bias.
- Avoid verbal and written assurances of employment security or longevity.
- Avoid language in an offer of employment that may suggest an implied contract of employment.
- Create an offer “script” to ensure every candidate is told the same information in the same terms.
- Make all offers in writing using a standard format.
- Review the employee handbook and make sure that it contains a disclaimer that it is not a contract. Remove any statements that could be interpreted to imply contractual rights.

Using a step-by-step, controlled process to hire new employees will help organizations avoid discrimination lawsuits and make better quality hiring decisions.

## **Employee Benefits Program Best Practices**

Offering competitive employee benefits is essential for attracting and retaining talented individuals. In fact, more and more employers are using benefits, not salaries, to entice workers. The professional climate is adjusting to a more balanced lifestyle, where 60-hour workweeks are scoffed at and office flexibility is prized. More workers are also looking for mental and financial health support and guidance from their employers.

This shift illustrates the importance of choosing wisely when selecting employee benefits to offer. The benefits currently offered by an organization may not be sufficient for the workers. For instance, if you have younger, healthy employees, but only have high premium health plans, consider adding a high deductible health plan as an alternative. To get a sense of what employees want, asking them is the most straightforward method.

## **5 Tips for an Effective Benefits Program**

The benefits offered to employees have a tremendous impact on an organization's attractiveness. If workers find that available benefits don't correlate with their lifestyles, companies risk losing them. Here are five tips for maintaining an effective benefits program:

### **1. Pick Meaningful Benefits**

Just because you offered a certain benefit one year does not mean you need to offer it every year. You must be willing to adjust your offerings based on employee desires. With this in mind, consider surveying your employees to discover what benefits are most useful to them. Looking at market data will only help so much since your organization's demographics and employees are unique. At the end of the day, if your benefits aren't addressing the needs of your employees, they aren't good benefits.

### **2. Communicate Benefits Effectively**

After selecting benefits to offer, you will need to communicate them to employees. The most effective communication plans are multifaceted, meaning you use a variety of mediums to convey information. For instance, you could hang a poster announcing open enrollment in the breakroom, send an email out with benefits descriptions and share a benefits 101 video on your intranet site. Offering a number of channels through which to share benefits information helps increase the chances of employees actually retaining the material.

### **3. Make Enrollment Easy**

Once employees understand their benefits, they should be able to easily select them. Make sure employees have everything they need for a smooth enrollment. This includes benefits 101 materials, specific benefits summaries, an enrollment walkthrough and any applicable forms.

### **4. Maintain an Up-to-Date Benefits System**

Having an efficient, up-to-date system is crucial for maintaining accurate records. Whether it's an online portal maintained by a third party, an intranet site with benefits descriptions or a collection of files in a cabinet, your system must be accurate. That means every employee's records should be up to date with their contact information, benefits elections, beneficiaries and all other pertinent data. Likewise, your benefits summaries should be accurate and accessible for any employee to request or view at any time.

## 5. Benchmark Your Program

Evaluating your benefits program after each cycle is the best way to keep it running smoothly. Sit down with stakeholders and determine what worked well and what didn't. Focus on ways to improve those aspects in the following election cycle. Beyond that, continue surveying employees about their benefits to ensure you're still choosing offerings that resonate with your workers. You can also look to other employers in your industry to see how they approach benefits administration.





## Employee Handbook Best Practices

An employee handbook is an easy way to transmit important information to employees in a comprehensive manner. Employee handbooks provide company information for new employees, serve as a reference for seasoned employees, ensure that all individuals are consistently treated with regard to company policies and procedures, and can protect the company from potential lawsuits.

When creating a company handbook, draft it as a quick reference guide for employees. Handbooks should be reviewed annually to ensure the policies and procedures are still relevant and up to date. In addition, it is best to individualize the handbook so that each policy pertains specifically to the company and employees.

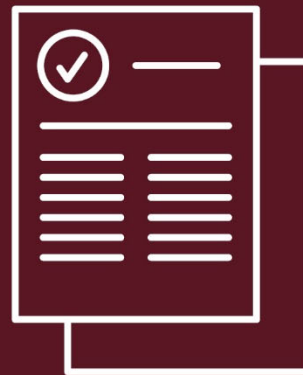
### Employee Handbook Best Practices

- Have your handbook reviewed by legal counsel to ensure it does not contain unlawful provisions or language that could be interpreted as creating an employment contract.
- Include a statement that includes the organization's right to revise policies at any time.
- Include an effective date on each page of the employee handbook, and include a statement that the current handbook replaces any previous handbook.
- Require employees to sign a statement acknowledging that they have received the handbook and understand its provisions. Keep a copy in each employee's personnel file.
- Be sure to include an email, voicemail and internet usage policy.
- Include equal employment opportunity and anti-harassment policies.
- Common trouble areas include policies on discipline/progressive discipline, layoffs, severance pay, probationary periods, performance evaluations, work rules and employee benefits. If you choose to include policies on these topics, they should be carefully reviewed by legal counsel.
- Make sure that the documentation within your organization is consistent.
- Define the terms that you use, such as "excessive tardiness" and "insubordination."
- Make sure supervisors understand that their discretion is limited and that they cannot modify the handbook. Consider supervisor training sessions on policies such as FMLA, ADA, harassment, employee discipline and interviews.
- Review your handbook annually to make changes, and then have legal counsel review those provisions. Give employees notice, and have them sign off on significant changes.

## Employee Handbook Sections

Each employee handbook will be unique to the organization, but the sections to include are generally the same. Below are common and recommended sections. However, note that handbooks will differ significantly based on industry. Check out the appendix for a comprehensive [employee handbook checklist](#).

- Introduction
- Employment policies
- Workplace conduct
- Employee benefits
- Time away from work
- Information and office security
- General practices
- Appendix
- Additional organization-specific policies



## Employment Posters

Organizations are required by the Department of Labor (DOL) to post relevant workplace posters in conspicuous areas. The [DOL's website](#) offers guidance about required posters along with printable resources. These posters alert employees to their rights under various workplace laws. Keep in mind that states also have specific poster requirements beyond those imposed on the federal level.

While the posters are required to be physically displayed where employees can readily observe them, they must also be accessible to employees who work remotely. To that end, HR professionals can insert them in the employee handbook, post them on an intranet site or even email them to employees to ensure they have copies.

## Safety Procedure Considerations

The Occupational Safety and Health Administration (OSHA) enforces workplace safety across the country. Below is an overview of OSHA's expectations for employers:

- Provide a workplace free from serious recognized hazards and comply with standards, rules and regulations issued under the OSH Act.
- Examine workplace conditions to make sure they conform to applicable [OSHA standards](#).
- Make sure employees have and use safe tools and equipment, and that they properly maintain the equipment.
- Use color codes, posters, labels or signs to warn employees of potential hazards.

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- Establish or update operating procedures, and communicate them so that employees follow safety and health requirements.
- Provide safety training in a language and vocabulary workers can understand.
- If there are hazardous chemicals in the workplace, develop and implement a written hazard communication program, and train employees on the hazards they are exposed to and proper precautions. In addition, ensure copies of safety data sheets are readily available. See the OSHA page on [Hazard Communication](#).
- Provide medical examinations and training when required by OSHA standards.
- Post, at a prominent location within the workplace, the [OSHA poster](#) (or the state-plan equivalent) informing employees of their rights and responsibilities.
- Report to the nearest [OSHA office](#) all work-related fatalities within eight hours, and all work-related inpatient hospitalizations, all amputations and all losses of an eye within 24 hours. Call OSHA's toll-free number: 1-800-321-OSHA (6742); TTY 1-877-889-5627. [Employers under federal OSHA jurisdiction were required to begin reporting by Jan. 1, 2015. Establishments in a state with a state-run OSHA program should contact their state plan for the implementation date].
- [Keep records](#) of work-related injuries and illnesses. (Note: Employers with 10 or fewer employees and employers in certain low-hazard industries are exempt from this requirement.)
- Provide employees, former employees and their representatives access to the Log of Work-Related Injuries and Illnesses ([OSHA Form 300](#)). On Feb. 1, and for three months, covered employers must post the Summary of Work-Related Injuries and Illnesses (OSHA Form 300A).
- [Provide access](#) to employee medical records and exposure records to employees or their authorized representatives.
- Provide to the OSHA compliance officer the names of authorized employee representatives who may be asked to accompany the compliance officer during an [inspection](#).
- Do not discriminate against employees who exercise their rights under the Act. See OSHA's "[Whistleblower Protection](#)" webpage.
- Post OSHA citations at or near the work area involved. Each citation must remain posted until the violation has been corrected, or for three working days, whichever is longer. Post abatement verification documents or tags.
- Correct cited violations by the deadline set in the OSHA citation, and submit required abatement verification documentation.

OSHA encourages all employers to adopt a safety and health program. Safety and health programs, known by a variety of names, are universal interventions that can substantially reduce the number and

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severity of workplace injuries and alleviate the associated financial burdens on U.S. workplaces. Many states have requirements or voluntary guidelines for workplace safety and health programs. Also, numerous employers in the United States already manage safety using safety and health programs, and OSHA believes that all employers can and should do the same.

Most successful safety and health programs are based on a common set of key elements. These include management leadership, worker participation, and a systematic approach to finding and fixing hazards. OSHA's [Safe and Sound page](#) contains more information.



## Employment Record Retention Requirements

Federal laws, such as the Federal Insurance Contributions Act (FICA), the and the EPA, impose recordkeeping duties on employers. These recordkeeping duties require employers to create and retain certain information related to compliance with federal laws. This section includes a table that summarizes numerous employer recordkeeping and retention requirements, indicating the longest retention period established by **federal law**.

Note: This table doesn't attempt to outline all documents you may need in all situations, and it doesn't address state laws. State laws may stipulate recordkeeping requirements, so you should reference your state's applicable mandates for more guidance.

LAW	TYPE OF RECORD	RETENTION PERIOD
<p><b>Age Discrimination in Employment Act of 1967 (ADEA)</b></p>	<p>Payroll or other records for each employee which contain:</p> <ol style="list-style-type: none"> <li>1. Name;</li> <li>2. Address;</li> <li>3. Date of birth;</li> <li>4. Occupation;</li> <li>5. Rate of pay; and</li> <li>6. Compensation earned each week.</li> </ol>	<p>Three years</p>
	<p>All personnel records, including job applications, resumes, job advertisements, documents related to hiring/failure to hire, firing, transfer, demotions, promotions, layoffs/recall, payroll records, job descriptions, employment handbooks, training programs, employee evaluations and requests for reasonable accommodation</p>	<p>One year from date of personnel action to which any records relate</p>
	<p>Employee benefit plans, such as pension and insurance plans, and copies of documents describing any seniority systems and merit systems</p>	<p>For the full period the plan or system is in effect, and for at least one year after its termination</p>

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<b>Employment Retirement Income Security Act (ERISA)</b>	Benefit plan documents, annual reports and summaries of annual reports, summary plan descriptions, and all information used in compiling required reports, such as vouchers, worksheets, receipts, applicable resolutions, and participants’ elections and deferrals	Generally, not less than six years from the date of record or the date of filing for plan-level records (e.g., Form 5500) and indefinitely for participant-level records (e.g., election forms)
<b>Americans with Disabilities Act (ADA)</b>	Any personnel or employment record made or kept by an employer, including requests for reasonable accommodation, application forms and other records having to do with hiring, promotion, demotion, transfer, lay-off or termination, rates of pay or other terms of compensation, and selection for training or apprenticeship	One year from date record is made or date of personnel action involved (whichever is later)
	Personnel records of an individual who is involuntarily terminated	One year from date of termination
<b>Civil Rights Act of 1964 – Title VII</b>	Any personnel or employment record made or kept by an employer, including requests for reasonable accommodation, application forms and other records having to do with hiring, promotion, demotion, transfer, lay-off or termination, rates of pay or other terms of compensation, and selection for training or apprenticeship	One year from date record is made or date of personnel action involved (whichever is later)
	Personnel records of an individual who is involuntarily terminated	One year from date of termination
	For an apprenticeship program, a chronological listing of the names, addresses, gender, and minority group identification of all applicants, including the dates applications were received, any test papers and interview notes, and all other records relating to apprenticeship	Two years from date record is made or program length, whichever is greater

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LAW	TYPE OF RECORD	RETENTION PERIOD
<p><b>Genetic Information Nondiscrimination Act (GINA)</b></p>	<p>Any personnel or employment record made or kept by an employer, including requests for reasonable accommodation, application forms and other records having to do with hiring, promotion, demotion, transfer, lay-off or termination, rates of pay or other terms of compensation, and selection for training or apprenticeship</p>	<p>One year from date record is made or date of personnel action involved (whichever is later)</p>
<p><b>Occupational Safety and Health Act (OSHA)</b></p>	<p>OSHA Form 300 (Log of Work-related Injuries and Illnesses), OSHA Form 300A (Summary of Work-Related Injuries and Illnesses) and OSHA Form 301 (Injury and Illness Report)</p>	<p>Five years following the end of the calendar year that these records cover</p>
	<p>Employee exposure or medical records pertaining to employees exposed to toxic substances or harmful physical agents</p>	<p>30 years</p>
<p><b>Internal Revenue Code (IRC)</b></p>	<p>Tax and Social Security records such as income tax withholding, Social Security, unemployment compensation and advanced date earned income credit payments</p>	<p>Four years from date of filing</p>
<p><b>Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA)</b></p>	<p>Copies of all COBRA-required notices; any documentation or signed acknowledgments that the notices were received by the employee/qualified beneficiary; and detailed documentation related to any instance in which COBRA continuation is not offered due to gross misconduct, late notification, Medicare entitlement or other reasons, and all related correspondence</p>	<p>COBRA regulations do not specify a recordkeeping period. Since COBRA amended ERISA, it is generally recommended that plan-level records be maintained for not less than six years from the date of record, in accordance with ERISA requirements.</p>
<p><b>Family and Medical Leave Act (FMLA)</b></p>	<p>Medical certifications and related medical information; type of leave taken; dates or hours of leave taken; name, position and pay rate of person on leave; copies of all notices given to or received from employee; documents describing employee benefits and status; documents describing employer policies and practices regarding leave; records of any dispute about the designation of leave as FMLA leave</p>	<p>Three years from the date the leave ended</p>

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LAW	TYPE OF RECORD	RETENTION PERIOD
<b>Employee Polygraph Protection Act (EPPA)</b>	Polygraph test results and the reasons for administering the test	Three years from the date the polygraph test is conducted
<b>Equal Pay Act of 1963 (EPA)</b>	Any records relating to payment of wages, wage rates, job evaluations, job descriptions, merit or seniority systems, collective bargaining agreements, description of practices or other matters which describe or explain the basis for payment of any wage differential to employees of the opposite sex in the same establishment and which may be pertinent to a determination whether such differential is based on a factor other than sex	Two years
<b>Immigration Reform and Control Act (IRCA)</b>	Form I-9 for terminated employees (All current employees hired since Nov. 6, 1986, must have an I-9 on file.)	Three years from the date of completion or one year from termination of employment, whichever is later
<b>Fair Labor Standards Act (FLSA)</b>	Payroll and other records containing each employee's name, Social Security number, address, date of birth (if under 19), sex, occupation, time and day of the week when the employee's workweek begins, hours worked each day, total hours worked each workweek, basis on which employees' wages are paid, regular hourly pay rate, total daily or weekly straight-time earnings, total overtime earnings for the workweek, all additions to or deductions from the employee's wages (including reasons for such additions/deductions), total wages paid each pay period, date of payment and the pay period covered by the payment	Three years from the date of entry
	Collective bargaining agreements, individual contracts, certificates, notices, sales and purchase records	Three years from the last effective date



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LAW	TYPE OF RECORD	RETENTION PERIOD
	Records required for the computation of wages, including: basic time and earning cards/sheets; wage rate tables; order, shipping, and billing records; and records of additions to or deductions from wages paid	Two years
	Certificates authorizing payment at less than minimum wage	Three years
	Employee dispute records	Five years from making of the record for employers in the airline industry, or two years for employers in the railroad industry

## Performance Evaluations Best Practices

Every business has its own way of conducting performance reviews. What works for one company will not necessarily work for another. With this in mind, a business should consider its culture and how employees best receive feedback. What communication methods worked well in the past? What kind of rapport do managers have with employees? How much is the company focused on personal development versus stats and metrics? How often should reviews be conducted?

Reflecting on these questions will help HR professionals determine the kind of performance review that will resonate most with your employees. Or better yet, they could solicit feedback from employees about how they prefer to be reviewed. Consider sending a survey or asking employees individually during their current performance reviews.



### 17 Tips for Perfecting Performance Reviews

1. **Perform formal evaluations at the same time for everyone each year.** While this increases the workload of managers and supervisors during review time, it forces direct comparisons of employees and establishes a nonbiased system.
2. **Have regular meetings with supervisory staff.** Supervisors will learn from each other's experiences. Provide adequate training and insist on candid observations.

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3. **Clearly communicate to employees what their duties are and what satisfactory performance is.** Accomplish this through periodic reviews of job descriptions, training, and both formal and informal reviews.
4. **Tell employees the criteria upon which their performance will be reviewed.** Develop standards and establish reasonable goals for employees. Make sure that employees understand the consequences of their failure to improve.
5. **Don't wait until the annual evaluation to provide feedback; offer it throughout the year.** Give both positive and negative feedback regularly.
6. **Document poor performance in writing.** This can be done in the form of coaching, training, discipline or assessment.
7. **Ask employees to complete a self-assessment in addition to the review completed by the manager.** This can identify areas where the employee and manager disagree on performance or expectations.
8. **Give employees the opportunity to review, challenge and comment on the evaluation.**
9. **Meet with employees to discuss all evaluations and expectations.** Keep a record of the meeting and what was discussed.
10. **Have employees sign the evaluation.** While the employee may not agree with their evaluation, it provides evidence that the employee has seen it and has been given a copy. If the employee refuses to sign it, the individual giving the evaluation should sign it along with a witness noting that the employee was given a copy.
11. **Establish a review process for evaluations.** This will keep managers honest and ensure that supervisory staff is performing reviews consistently.
12. **Give employees time to improve, and offer resources and assistance if appropriate.**
13. **Follow established procedures strictly.** Apply all procedures and standards equally to all employees.
14. **Use other supervisory personnel in the process, if possible, to mitigate claims of personality conflict.** This will enhance credibility if all evaluations point to the same conclusion.
15. **Make sure employees understand the consequences for failure to perform at an acceptable level.** There should be no surprises in employee supervision and evaluation.
16. **Hold managers responsible for helping subordinates develop and improve.**
17. **Maintain confidentiality in employee performance evaluations.**

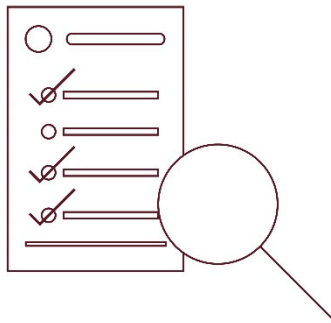
## HR Audits

An HR audit is an objective, systematic review of a company's HR policies, procedures, strategic direction, structure, resources and, ultimately, its contribution to the organization. Such an audit offers the opportunity to protect the company, establish best practices and identify areas for improvement, and can help evaluate whether specific practice areas are adequate, legal and effective.

HR audits can be important for companies to ensure that they are avoiding any legal or regulatory liability associated with their HR policies and practices. In addition, audits can also provide the opportunity to benchmark a company's strategies and practices against the best practices of other companies in its industry.

### Types of Audits

There are various types of audits, each designed to accomplish specific objectives. Here are some of the more common types:



- **Compliance audits** examine how well the company is complying with federal, state and local laws and regulations.
- **Best practices audits** compare company practices to those of companies identified as having exceptional HR practices to help a company maintain or improve its competitive edge.
- **Strategic audits** assess the systems and processes within the company to determine whether they align with the company's strategic plan.
- **Function-specific audits** focus on one specific area within the HR function (e.g., payroll and performance management).

### Steps of an Audit

Follow these general guidelines for conducting an audit.

- **Determine the scope and type of the audit.** It may be appropriate to conduct a comprehensive review of the entire HR department and its function; conversely, there may be targeted areas that make more sense for review.
- **Develop the audit questionnaire.** An audit typically employs a questionnaire to evaluate specified areas. It will help guide the audit team in scrutinizing the designated areas for review and may also include interviewing HR employees or department managers.
- **Collect the data.** Using the questionnaire as a roadmap, the audit team conducts a thorough, extensive review.
- **Benchmark the findings.** Comparing the company's findings to other firms in the industry can offer valuable information in determining the company's competitiveness among its peers and for developing best practices for the future.

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- **Provide feedback about the results.** After the audit, it is important to report findings to the HR department and senior management, including analyses and recommendations.
- **Create action plans.** Audits are counter-productive if their results are not translated into action. Using recommendations from the audit team, HR and senior management must plan to implement changes as needed to improve efficiency, compliance or productivity.
- **Foster a climate of continuous improvement.** Doing one audit is not enough for a company. It is necessary to subscribe to an attitude of continuous evaluation and improvement. It may be helpful to designate one person to stay up to date on legal and regulatory issues that may affect the company, as well as to keep track of internal processes to quickly identify problems.

### Sample HR Audit Questions

Below are sample questions regarding organization and structure:

- Is there an organizational chart?
- Does the chart include both employees' names and position titles?
- Does the chart show reporting relationships?
- As the needs of the organization change, does its structure change?



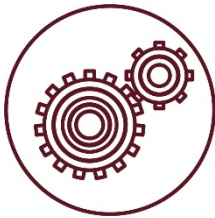
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The following are sample questions for HR department organization:

- Is the department sufficiently staffed for the industry and the size of the organization?
- Is the budget in line with other organizations of similar size and industry?
- Has the company been involved with any employment lawsuits?
- If there have been suits, what were the outcomes?
- Is there a job description for each position in the department?
- To what position does the top HR position report?
- Does the HR department have a mission statement?
- Is the HR mission statement consistent with the mission and vision of the organization?

Below are functions of the HR department:



- For what functions is the HR department responsible (e.g., payroll, benefits, salary administration, recruitment, training, labor relations, safety and strategic planning)?
- Should the HR department be responsible for all of the functions listed above?
- Should the HR department be responsible for any functions not listed above?

# Common HR Missteps

Mistakes in employee benefits and human resources can be quite costly to employers—in the form of extra benefits, complaints, lawsuits, government-assessed fines and penalties and attorney fees, to name a few. Don't learn the hard way what these mistakes are. Review the following commonly made errors, and ensure that your organization remains compliant.

## ERISA Noncompliance

- **Not providing a plan document or summary plan description**—ERISA requires that employee benefit plans be maintained pursuant to a written instrument and that participants receive a summary plan description (SPD) that contains certain information. The DOL has a rule defining what needs to be in an SPD. Many employers rely on their insurance carriers or third-party administrators (TPAs) to provide booklets to distribute to employees. Often the booklets provided by carriers and TPAs do not contain all of the information that is required in an SPD and/or will not qualify as a plan document. This is often the case with health and welfare plans.

Failure to provide a plan participant with an SPD within 30 days of an employee request carries a maximum \$110 per day penalty (measured from the date that is 30 days after the request). There is no specific penalty for failure to maintain a plan document, but pursuant to ERISA's general enforcement provisions, any plan participant can file a lawsuit to require a plan sponsor to prepare a formal plan document where none exists. Criminal penalties may be levied upon any individual or company that willfully violates Title I of ERISA, which could include these disclosure rules (maximums are \$100,000 and ten years in prison, or \$500,000 for a company). Moreover, failing to maintain an updated plan document and/or SPD may jeopardize an employer's chance of success in a legal dispute with an employee over benefits.

Solution: Have an SPD and plan document prepared for each plan your company sponsors, and keep the documents up to date. In some cases, a simple "wrap document" may suffice to supplement the information provided by the insurance company or TPA. The wrap document fills in the gaps of what you have and what is legally required, and can apply to more than one plan.

- **Not communicating SPD changes to participants**—ERISA requires notice to covered participants anytime there is a material modification in a plan’s terms, or there is a change in the information required to be in the SPD. If there is a legal dispute over benefits, courts will often enforce the terms of an out-of-date or incomplete SPD rather than the terms of the plan document, in favor of the participant.

Solution: ERISA allows plan administrators to communicate material changes through a simplified notice called a summary of material modifications (SMM) that limits itself to describing the modification or change. Since there is no guidance on what is a material change, you should err in favor of preparing and distributing SMMs. At a minimum your SMM should contain: (1) the name of the health plan and the SPD to which the SMM relates; (2) a description of the changes or the substituted language; (3) the effective date of the changes; (4) instruction to keep the SMM with the SPD; (5) an explanation that the SMM and the SPD must be read together; and (6) the name and title of the person to contact with questions.

## Improper Plan Administration

- **Failing to compare group disability insurance policies**—Many employers purchase group disability insurance policies without understanding them. They receive complaints from employees because their disability claims are denied because they are not considered “disabled” per the terms of the policy. Purchasing group disability insurance policies that do not provide worthwhile benefits when needed by employees is throwing money away on a useless benefit.

Solution: Choose group disability insurance policies with the assistance of your broker who specializes in these policies.

- **Allowing employees to stay on group health coverage beyond the required time period**—Many employers allow employees to stay on group health insurance plans after eligibility would otherwise end under the plan’s terms, without first getting approval from the insurance/stop-loss carrier. For example, employers often allow employees on leave to keep their health insurance beyond the period of time required by the FMLA. If the employee incurs significant medical expenses and the insurance/stop-loss carrier investigates, the carrier may decline to provide coverage, leaving the employer to “self-insure” the entire cost.

Solution: Offer COBRA coverage to employees who need extended leave but have exhausted or are not eligible for FMLA leave. This way, employers shield themselves from liability. The employer can continue to pay the employee portion if they desire. Also make sure that insurance/stop-loss carriers are aware of collective bargaining agreements that may apply to coverage issues and have signed off on these agreements in writing.

- **Incorrectly computing matching contributions**—A typical matching contribution formula provides that an employer will pay 50 cents for each \$1 an employee contributes to the plan on a pre-tax or Roth basis up to 6% of compensation, which results in a maximum employer matching contribution of 3% of compensation. It is most common for plan administrators and payroll systems to calculate matching contributions on a weekly payroll-by-payroll basis. If an employee earning \$60,000 a year makes the 6% contribution throughout the year on a payroll-by-payroll



basis, the employee will contribute \$3,600 to the plan, and the employer will provide a matching contribution equal to \$1,800. Assume another employee earning the same base pay contributes 12% for six months. This employee has also contributed a total of \$3,600 to the plan but will only receive a \$900 match. This same scenario also often occurs with executives who receive large bonuses early in the year and request the maximum contribution be withheld from the bonus.

Solution: Some employers make “make-up” contributions at the end of the year to ensure that employees making the same annual salary deferrals receive the same matching contributions. If employers are using a Prototype plan, make-up contributions may not be a viable option. In this case, educating employees on the implications of changing deferral elections and limits is important. If matching contributions are not calculated correctly or in accordance with the plan document, the IRS’s Employee Plans Compliance Resolution System (EPCRS) may allow the employer to correct the error by following a correction method approved by the IRS.

## Personnel Administration

- **Independent contractor/temporary employee issues**—Some employers make the mistake of including independent contractors in health plan coverage and/or excluding temporary employees from benefit plan coverage. If an employer allows independent contractors to participate in its health plan, its health plan is technically a “multiple employer” plan, and an IRS Form M-1 needs to be filed annually. Failure to do so can cause the DOL to levy penalties. If the employer has wrongfully excluded “common law employees” from its benefit plans, those “employees” can seek retroactive reinstatement to the employer’s benefit plans, potentially causing large damages to the employer.

Solution: Do not allow independent contractors to participate in your health plan, or file an annual Form M-1. Ask your attorney or financial advisor to assist you if you have never filed a Form M-1 before. To preclude unintentional inclusion of “common law” employees, craft your benefit plan language to specifically exclude individuals not on your payroll.

- **Misclassifying an individual as an independent contractor**—Many employers misclassify individuals as independent contractors when they do not qualify under the law as an independent contractor for unemployment and worker’s compensation purposes. By making such a mistake, employers could owe thousands of dollars in back premiums for worker’s compensation insurance, as well as premiums for unemployment insurance. Worse yet, the employer could be responsible for actual medical costs for an individual not properly covered under their worker’s compensation policy. The employer may also owe income taxes and social security taxes.

Solution: Review your independent contractor relationships to ensure consistency with state and federal standards. Make sure your independent contractors have a Federal Employer Identification Number and are incorporated. Ask them to form an LLC if they are not. Determine whether they are doing similar work for other companies in the same industry. If the answer is “no,” they may not be treated as an independent contractor in the eyes of the law.

- **Not updating your restrictive covenants**—Employers spend a lot of time and resources drafting enforceable restrictive covenants. Because the law changes from time to time due to various court decisions, covenants can become outdated and unenforceable. In some states, the law states that if any portion of a restrictive covenant is overbroad, then the entire agreement is unenforceable. For example, a no-hire clause in your agreement could invalidate your entire noncompete as overbroad. If your restrictive covenants are unenforceable, you may not be able to protect your customer base, continuing revenues and/or confidential information if a key employee leaves.

Solution: Have your restrictive covenant agreements reviewed annually to make sure that they are consistent with the ever-changing law. Legal counsel experienced in this area should be able to review your restrictive covenants in a cost-efficient manner to determine their enforceability.

- **Misusing performance evaluations**—Some managers and supervisors make the mistake of not being honest and straightforward when evaluating employees. This mistake often makes it difficult to defend against claims of discrimination and wrongful discharge when managers are less than honest and direct on performance evaluations.

Solution: Do not “sugarcoat” criticisms of employee performance. Not only will you deprive the troubled employee an opportunity to correct their performance problems and become more productive, but you will also not have an appropriate record of performance deficiencies in the event it becomes necessary to defend a termination or disciplinary action.

- **Contesting unemployment compensation for performance reasons**—State laws may differ, but generally, employees who are terminated for performance reasons are entitled to unemployment compensation. Employers often waste resources by contesting the unemployment compensation (UC) claim. (If an employee has filed a series of claims against the employer and is not represented by an attorney, it may make sense to contest the UC claim in an effort to “nail down” the employee’s version of the facts.) Generally, an employee is not entitled to unemployment compensation only if they quit or are terminated for misconduct. State laws may differ; check with your legal counsel.

Solution: Understand the standards for misconduct under unemployment compensation law and how they differ from performance-related terminations. Update your employee manuals, making sure the policies are accurate and that you can prove the employee received a copy of the manual. Be sure to carefully and thoroughly document any misconduct and disciplinary issues that have led to an employee’s termination.

## Compensation Management

- **Recalculating overtime when paying performance-based bonuses**—Employers often forget to recalculate overtime previously paid and make additional overtime payments when paying performance-based bonuses over multiple pay periods. State wage and hour laws differ, but generally, if a wage claim is brought to court, an employer could owe not only back pay but also interest, penalties and attorney fees.

Solution: Check with your legal counsel to make sure you know whether the bonuses you pay qualify for recalculation of overtime. If so, you need to go back and apply the bonus over the relevant pay periods and determine the appropriate overtime rate and whether additional overtime payments are required.

- **Failing to clearly define when commissions are payable**—Many employers make the mistake of not having a written policy defining when commissions are due to employees. State laws differ, but if an employer does not have an appropriate policy, an employee can leave or be fired and still be due thousands of dollars in commission payments.

Solution: Make sure that your commission policy is in writing and clearly defines when employees have earned commissions and how they are handled upon termination.

## Retirement Plan Considerations

Many small employers contract with third parties to administer their retirement plans. Issues surrounding these plans can be nuanced, but below are some of the most common examples.

- **Not timely depositing employee contributions into qualified retirement plans**—Employers sometimes wait too long to deposit salary deferrals into a qualified retirement plan. If deposits are not timely made, the DOL and IRS may levy fines, penalties and retroactive earnings for late contributions.
- **Not making matching and profit-sharing contributions on a timely basis**—Many employers fail to make these contributions on a timely basis, opening themselves to potential fines and penalties.
- **Enrolling employees late into qualified retirement plans**—Employers often fail to timely enroll employees in qualified retirement plans and sometimes even try to exclude part-time employees from participation. If you wrongfully exclude employees, you can jeopardize the plan's tax-qualified status and incur penalties from the IRS.
- **Using the wrong definition of compensation when computing retirement plan contributions**—Employees are entitled to receive and make contributions based on the definition of compensation set forth in the plan document, up to applicable limits. Failure to comply with the terms of the plan can result in disqualification of the plan.

## Other Common HR Mistakes

- **Failing to conduct exit interviews**—Not only will exit interviews provide valuable information to make the workplace more productive, but they may also alert you to any potential claims.
- **Using outdated employment applications**—Make sure your applications are consistent with the nuances of your state and local laws (such as ban-the-box) as well as general anti-discrimination laws.
- **Failing to comply with the requirements of the Fair Credit Reporting Act (FCRA) when utilizing a third-party to conduct background checks, including various disclosures and notices**—Many

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employers fail to provide the written release and disclosure form as a separate, stand-alone document as is required by the FCRA. Class action lawsuits under the FCRA have risen dramatically in recent years.

- **Failing to inform an employee who has complained of harassment of the results of your investigation, remedies and discipline**—When an employee complains of harassment, the surest way to invite a complaint with the state or federal government is to not inform the employee about the results of your investigation and any discipline handed out to the alleged harasser. State laws may differ, so it is important to check with your legal counsel.



## Helpful Links

This section includes a list of helpful resources for complying with and understanding various HR topics. Click on a resource name to be taken to its website.

Resource Name	Overview
<b>Small Business Resource Center</b>	This site offers links to government resources on a variety of topics, including workplace safety, nondiscrimination guidelines, benefits administration, fair pay practices and compliance tools.
<b>U.S. Small Business Administration</b>	This site helps you discover everything you need to know about running a small business. It includes resources for planning, starting, managing and growing your business.
<b>OSHA's Small Business Resources</b>	This site helps you comply with OSHA guidelines. It includes everything you need to know for maintaining compliance, including an offer for a free on-site consultation.
<b>Employee Benefits Security Administration Quick Links</b>	This site is your one-stop-shop for benefits administration assistance. It includes resources to help your organization stay within the law when dealing with employee benefits.
<b>SBREFA State Compliance Assistant</b>	This site defines each state's employment poster requirements.

# Appendix

This section contains distributable materials for your organization. Leaf through the pages and discover a variety of helpful resources that can help inform your HR decisions.

For even more guidance on HR assistance, [view your options here](#) or speak with Horst Insurance to discuss the best resources for you.

## Printing Help

There are many printable resources in this appendix. Please follow the instructions below if you need help printing individual pages.

1. Choose the “Print” option from the “File” menu.
2. Under the “Settings” option, click on the arrow next to “Print All Pages” to access the drop-down menu. Select “Custom Print” and enter the page number range you would like to print, or enter the page number range you would like to print in the “Pages” box.
3. Click “Print.” For more information, please visit the Microsoft Word [printing support page](#).

## Sample Interview Questions

The following is an extensive list of questions that will help you to identify the behavior and character of the candidates you interview. These questions are divided into specific areas to help you target characteristics that are most important to the job or company culture.

Asking all of these questions would be too overwhelming and take too long, so think about which most apply to your organization or the role you're hiring for. Use those questions as a guideline as you interview your candidate.

### Skill Set

- What are your most marketable skills?
- What have you learned, or what skills have you gained that will benefit you most in this position?
- What skills do you need to develop further?

### Professional

- How do you build relationships with your peers in the workplace?
- If you found yourself involved in a negative conversation about a peer, your work or your boss, how would you handle it?
- When you have to deliver upsetting news to someone, how do you handle it?

### Hardworking

- Tell me about the last time you did something important because it needed to be done, even though it wasn't necessarily your responsibility.
- What is your standard for success in a job?
- What has been your greatest accomplishment to date?

### Knowledgeable

- What attracted you to your previous employers?
- What did you learn in your most recent position that will benefit you in this position?
- Tell me about your most meaningful work experience.
- What is the last book you read?

### Maturity

- Tell me about the strongest criticism that you received from your most recent boss. How did you react to the feedback? What actions did you take after the discussion?
- How do you build relationships with your peers in the workplace?
- Tell me about a work situation where you had to work with others to achieve a common goal.

### Well-rounded

- What are you passionate about?
- What do you do for fun?
- What magazines or newspapers do you read frequently?

**Positive**

- Describe the qualities or skills that you possess that will help you to be successful in this position.
- Who have you enjoyed working for the most in a past job? What qualities did they possess that you would hope to emulate in yourself?
- What is your ideal working environment?

**Flexible**

- Tell me of a situation where you had to adapt to unexpected changes of events. What was your reaction, and how did you adjust?
- How would your fellow workers in your most recent job describe you?
- Tell me about a situation when you worked with others to achieve a common goal. What was most challenging?

**Goal-oriented**

- What are you looking for in this job? What are your expectations?
- What recent goals have you set for yourself, and how are you progressing to achieve those goals?
- What are your long-range goals and objectives?

**Dependable**

- If you could choose the type of people that you would be working with, what qualities would they possess?
- What is your standard for success in a job?
- Describe a situation at work where people needed to rely heavily upon you.

**Organized**

- How do you organize your work and schedule your own time?
- Tell me about a period of time that was hectic, and what you did to keep things under control.
- What specifically do you do to ensure that you give adequate attention to your various assigned responsibilities?

**Loyal**

- Tell me about the job you held for the longest time frame. Why?
- Describe a difficult work situation where you had to stick it out through thick and thin.

**Honest/Trustworthy/Ethical**

- Tell me about the job you held for the shortest time frame. Why?
- What skills do you need to develop further?
- Describe a valuable lesson you have learned that changed your outlook on life.
- Who was your least favorite person to work for and why?

**Team Player**

- Do you like to work alone or in a group? Why?
- Tell me about a situation when you worked with others to achieve a common goal.



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- How would you handle a situation where all team members are not contributing 100%?

### **Motivated**

- Describe a situation that best illustrates your drive to achieve outstanding results.
- What is the most challenging goal you have ever met?
- Tell me about the most long-term, sustained extra-hours effort you have ever put in.

### **Problem Solver**

- Describe a time when you were effective at detecting an emerging problem and taking action to resolve it before it became serious.
- Tell me about a recurring or persistent problem you have experienced within the last year that you feel you have now successfully corrected.
- Tell me about the most significant improvements, procedures or new ideas that you have suggested or implemented.

### **Leader**

- Tell me about a challenging situation in which you had to coordinate and motivate several people to achieve a goal.
- Tell me about the time you exerted the most effort to coach or develop another individual.
- Have you ever been in a position of leadership? If so, how did you motivate the group?
- Tell me about the most recent significant task you delegated to someone and were disappointed with how it turned out.

### **Active**

- What activities do you enjoy doing in your free time?
- What is the most challenging physical activity you have ever done?

## **Sample Safety Policy**

wants to ensure that our employees remain safe and injury-free at all times. The company intends to comply with all applicable safety laws. In order to guarantee that accidents are avoided whenever possible, we expect our employees to refrain from horseplay, careless behavior and negligent actions. It is the company's policy to maintain a safe and secure working environment for all employees and clients.

While working, employees must observe safety precautions for their safety and the safety of others. All work areas must be kept clean, and free of clutter and debris. Any hazards or potentially dangerous conditions must be corrected immediately or reported to a supervisor.

If you are involved in an accident, you must:

- Report the accident to your supervisor or Human Resources immediately.
- Obtain any necessary medical treatment.
- Fill out an Accident Report, regardless of the severity of the injury.
- If you must seek additional medical treatment, obtain your supervisor's consent before leaving the premises.

Employees who fail to comply with this procedure may be subject to disciplinary action.

## Employee Handbook Checklist

Please note that this checklist is only meant as a suggestion. Each employer needs to draft their own employee handbook and policies since some states have additional laws and considerations.

Included	Policy Title and Description
<b>Introduction</b>	
	<b>Welcome and Purpose</b> —This document introduces readers to the handbook and informs them that following handbook policies is a condition of employment but that the relationship is at-will.
	<b>At-will Employment Statement</b> —This document explains that employment can be terminated by either party at any time and that there should be no expectation of a contractual agreement between employees and the Company.
	<b>Mission Statement</b> —This document explains the Company’s mission, details how superior employees are selected and gives an overview of how the Company intends to fulfill its mission.
<b>Employment Policies</b>	
	<b>Americans with Disability Policy</b> —This policy outlines to employees how your company complies with the Americans with Disabilities Act (ADA).
	<b>Employment Termination Policy</b> —This policy explains the different circumstances under which an employee may be terminated (resignation, termination or layoff), provides notice period expectations for employees who choose to resign, and details other situations that may result in termination.
	<b>Equal Employment Opportunity</b> —This policy explains that the Company provides an equal employment opportunity to all individuals and values a diverse workforce.
	<b>Internal Transfer or Promotion Policy</b> —This policy explains that movement and advancement within the company is encouraged, employees may be transferred or promoted at times, and that moves within the company may be management- or employee-initiated.
	<b>I-9 Immigration Reform Policy</b> —This policy explains that the Company will only employ persons legally eligible to work in the United States in compliance with the Immigration Reform and Control Act of 1986.
<b>Workplace Conduct</b>	
	<b>Code of Ethics Policy</b> —This policy informs employees of the Company’s Code of Ethics. It details the Company’s prohibition of improper payments, political contributions, reporting to management, antitrust laws and exchange of information with competitors.
	<b>Complaint Policy</b> —This document explains the Company’s goal to have open communication with employees and, with that, details how employees should go about voicing complaints or grievances.
	<b>Disciplinary Action Policy</b> —While each employee’s relationship with the Company is at-will, and a disciplinary procedure is not followed in all circumstances, the Disciplinary Action policy explains the Company’s basic approach to discipline.

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	<b>Drug and Alcohol Testing Policy</b> —This policy explains the grounds for testing and the consequences of a positive test result.
	<b>Drug-free Workplace Policy</b> —This policy explains the expectation that employees will not be under the influence of drugs or alcohol while working. It details that any employee who is convicted under any criminal drug statutes for a violation occurring while he or she was working must notify the Company within five days of the conviction.
	<b>Harassment Policy</b> —This document details that the Company will not tolerate harassment of any kind, including harassment related to any characteristics that are protected under law, and that the policy applies to all persons involved with the Company in some way.
	<b>Sexual Harassment Policy</b> —This document explains that the Company will not tolerate sexual harassment, and that the policy applies to all persons involved with the Company in any way.
	<b>Standards of Conduct Policy</b> —This document provides employees with a list of examples of behaviors prohibited by the Company that will result in disciplinary action.
	<b>Violence in the Workplace Policy</b> —This policy makes clear the Company’s stance on violence; neither violence nor threats of violence will be tolerated.
	<b>Weapons in the Workplace Policy</b> —This policy explains that weapons are prohibited on Company property and that the policy applies to all individuals, even those who are licensed to carry weapons.
	<b>Workplace Bullying Policy</b> —This document explains the Company’s goal of providing a safe and healthy work environment for all employees and that, because of this, the Company prohibits bullying of all kinds.
<b>Employee Benefits</b>	
	<b>COBRA Benefits Policy</b> —This policy gives an overview of the Company’s compliance with the Consolidated Omnibus Budget Reconciliation Act of 1985, P.L. 99 272 and later amendments, otherwise known as COBRA.
	<b>Employer-offered Insurance Policy</b> —This document explains that the Company provides group insurance plans to full-time employees and might provide an overview of how the costs are shared.
	<b>Employment Taxes &amp; Voluntary Deductions Policy</b> —This document details the deductions that will come out of each employee’s paychecks. In addition to taxes, this includes the optional deductions for benefit coverage, of which a portion will be paid by the employer.
<b>Time Away From Work</b>	
	<b>Communicable Disease Policy</b> —This policy explains the procedure for dealing with communicable diseases in the workplace. It defines “communicable disease” and explains that the Company does not discriminate against individuals with communicable diseases.
	<b>Contagious Illness Policy</b> —This policy explains that the Company’s goal is to maintain a healthy workplace for all persons, and in order to do so, the Company evaluates contagious illnesses to determine whether or not an employee with a contagious illness will pose a threat to the health of himself or herself, other employees or customers.
	<b>Federal Family and Medical Leave Policy</b> —This document explains the Family and Medical Leave Act (FMLA).
	<b>Funeral Leave Policy</b> —This policy briefly explains that the Company understands that employees need time to grieve in the event of the death of an immediate family

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	member, and therefore offers up to three days off of work for this purpose, up to and including the day of the funeral.
	<b>Jury Duty Policy</b> —This policy explains that the Company will pay the difference between jury duty pay and regular wages for days that employees are unable to report to work due to jury service, as long as the employee has been employed by the Company for at least 90 days prior.
	<b>Lunch and Rest Periods Policy</b> —This document explains the amount of time allotted to employees for lunch breaks and rest periods and that these breaks are unpaid.
	<b>Military Leave Policy</b> —This policy explains that the Company provides military leave to service members, and details that the employee will not be required to use vacation time for military duty (training or service), but if he or she chooses to, the full regular vacation pay will be received.
	<b>Nursing Mothers Policy</b> —This policy explains the Company’s commitment to providing lactation accommodation to mothers returning to work following the birth of a child.
	<b>Paid Time Off Policy</b> —This policy details the amount of paid time off (PTO) that employees are eligible to earn each month, based on their status (full- or part-time).
	<b>Pandemic Flu Leave Policy</b> —This policy explains that in the case of a pandemic flu outbreak, all employees who are absent due to a confirmed pandemic flu infection will receive full pay for their normally scheduled hours until a physician has authorized their return to work, as long as written documentation of the infection is provided by the physician.
	<b>Parental/School Leave Policy</b> —This document explains that because the Company understands the value of parental involvement with a child’s education, employees are allowed to use a portion of their allotted sick leave annually to attend school functions or activities related to their children’s education, as long as prior notice is provided.
	<b>Religious Observances Policy</b> —This policy explains the respect that the Company has for the individual beliefs of all employees, and that, because of this respect, one day of paid leave is provided annually to employees who have religious obligations on days of operation.
	<b>Sick Time Policy</b> —This policy details the definition of sick time, how it is accrued and how employees should provide notice to the Company if they will be absent due to illness or medical reasons.
	<b>Time Off to Vote Policy</b> —This policy explains that because the Company encourages all of its employees to vote, time off to vote is provided when the employee would otherwise not have enough time before or after work to do so.
	<b>Vacation Policy</b> —This policy details how vacation time is accrued, how employees should request to use their vacation time and how multiple, simultaneous leave requests within a department will be handled.
<b>Information &amp; Office Security</b>	
	<b>Emergency Action Plan</b> —This document details the Company’s procedures in different types of emergencies (e.g., fire, medical and violence).
	<b>Facility Access &amp; Visitors Policy</b> —This document explains the Company’s goal of maintaining maximum security and safety at a minimum inconvenience to employees. It details the guidelines that help to maintain this safety and security, including the requirement that visitors be escorted by authorized personnel at all times and that only certain doors are unlocked at specific times.

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	<b>General Computer Usage Policy</b> —This policy explains the importance of safeguarding corporate information assets and the guidelines for Company computer use.
	<b>Recording Devices Prohibited Policy</b> —This document explains that the use of all types of recording devices (including camera phones) is prohibited on Company property or during working hours unless specifically permitted by the Company.
<b>General Practices</b>	
	<b>Anti-discrimination Policy</b> —This policy explains that the Company does not discriminate against any protected traits, or allow discrimination of any kind in the workplace.
	<b>Attendance and Standard Working Hours Policy</b> —This policy explains the Company's expectation that employees must be regular and punctual in attendance due to absenteeism and tardiness placing a burden on the Company and its employees.
	<b>Background Check Policy</b> —This policy explains that the Company performs background checks as part of ensuring that quality employees who have performed well in the past are hired.
	<b>Business Expense Reimbursement Policy</b> —This policy explains that the Company will reimburse employees for necessary and reasonable travel expenses related to the normal conduct of business.
	<b>Company Car Policy</b> —This policy details the provision of Company cars for business use to certain employees upon approval.
	<b>Company Credit Card Policy</b> —This policy explains the guidelines for use of a Company credit card, and why the cards are provided to certain employees.
	<b>Confidential Information &amp; Company Property Policy</b> —This document details the importance of protecting the Company's confidential information and property and the guidelines for doing so.
	<b>Conflicts of Interest Policy</b> —This document explains that employees should always act with the Company's best interest in mind and should not put themselves in a situation that conflicts with the Company's best interest.
	<b>Customer Complaint Policy</b> —This policy details the customer complaint process and how such complaints should be handled by the Company and its employees.
	<b>Direct Deposit Policy</b> —This policy explains the Company's direct deposit policy and the advantages of using direct deposit.
	<b>Dress Code (General)</b> —This document explains the Company's general dress code and the reasoning behind it.
	<b>Dress Code (Summer)</b> —This document explains the option of a summer dress code that is more casual than the general dress code, which is available to employees between Memorial Day and Labor Day.
	<b>Driving While on Company Business Policy</b> —This policy sets the expectations for employee behavior while driving on Company business.
	<b>Educational Assistance Program Policy</b> —This explains the Company's Educational Assistance Program that reimburses employees for costs associated with furthering their education, assuming that the courses will assist the employees in performing their current job functions, or will help them along their intended career path within the Company.
	<b>Employee Classification Policy</b> —This document lists the different classifications of employees and the criteria for each one.

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	<b>Employee Fraternalization Policy</b> —This policy sets the boundaries for employee fraternalization and explains the behavior expectations for employees regarding personal and/or romantic interactions between employees in the workplace.
	<b>Employee Discount Policy</b> —This policy explains the discount offered to employees and the allowable use of the discounts.
	<b>Employee Referral Bonus Policy</b> —This policy explains that the Company provides a bonus to employees who refer candidates who end up being hired.
	<b>Employment of Relatives Policy</b> —This policy details that hiring and/or promotion decisions must take into account that immediate family members may not have a direct supervisor-subordinate relationship, create an adverse effect on work performance or create a conflict of interest.
	<b>Improper Payments and Gifts Policy</b> —This policy explains the Company’s prohibition of payments or gifts that might be reasonably expected to interfere with the exercise of independent and objective judgment in making or participating in business decisions.
	<b>Injury &amp; Illness Reporting Policy</b> —This document explains the importance of and expectation that employees will immediately report work-related injuries and illnesses to the Company.
	<b>Media Relations Policy</b> —This policy details the procedure for responding to media inquiries and explains who is authorized to provide statements to the media regarding Company business.
	<b>Online Social Networking Policy</b> —This policy explains that employees must be careful to protect the Company’s reputation in their use of online social networking sites.
	<b>Open Door Policy</b> —This document explains that the Company encourages open communication between employees and management and that concerns should be voiced so that a resolution may be agreed upon.
	<b>Orientation Period Policy</b> —This document explains the orientation period (the first 90 days of employment) in which employees undergo training and receive additional direction from their supervisors.
	<b>Overtime Pay Policy</b> —This policy explains how employees are compensated for hours worked in excess of 40 hours each week and which employees are eligible to receive overtime pay.
	<b>Pay Periods and Check Distribution Policy</b> —This document explains when and how employees will be paid, including in the case of special circumstances like holidays or work absences.
	<b>Performance Evaluation Policy</b> —This policy explains that management will provide ongoing performance feedback to each employee and, at times, may perform formal performance evaluations.
	<b>Personnel Records Policy</b> —This document details the content that employee personnel files contain and the employee’s responsibility for keeping pertinent information up to date with the Company.
	<b>Phone Call Policy</b> —This document explains that the Company provides phones to employees for business use and details appropriate use of Company phones.
	<b>Physical Examination Policy</b> —This policy explains that, at times, the Company requires mandatory, job-related medical examinations in order to ensure that employees can physically perform the mandatory functions of their jobs.

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	<b>Safety Policy</b> —This policy reminds employees that it is important to refrain from horseplay, careless behavior and negligent actions in order to maintain a safe and secure working environment, and emphasizes the importance of reporting accidents promptly and thoroughly if they do happen.
	<b>Severe Weather Policy</b> —This document explains the Company’s policy in the case of severe weather and the procedure for informing employees if the Company will be closed in such circumstances.
	<b>Smoke-free Environment Policy</b> —This document explains that the Company is a smoke-free environment and that smokers must observe the same guidelines as nonsmokers regarding the frequency and length of break periods.
	<b>Social Functions Policy</b> —This policy sets the guidelines for employee behavior at Company social functions and gives examples of the types of social functions that may occur.
	<b>Solicitations, Distributions &amp; Use of Bulletin Boards</b> —This document explains that employees have the option of communicating with their co-workers about non-work events and fundraisers through the use of Company bulletin boards.
	<b>Timecard Regulations Policy</b> —This document explains the requirement that employees accurately maintain timecards to track their hours, and should not punch in or out for another employee.
	<b>Workers’ Compensation Policy</b> —This document details the Company’s policy regarding workers’ compensation and the necessary tasks employees must complete in order to ensure that the proper workers’ compensation is paid to them.
<b>Appendix</b>	
	<b>Application for Re-employment Following Military Leave</b> —This application is to be submitted by employees wishing to return to their former position upon return from military leave.
	<b>Application &amp; Request for Educational Reimbursement</b> —This form should be completed by employees wishing to further their education and receive reimbursement from the Company for the course(s) taken.
	<b>Certificate of Entrance Into Military Service</b> —This form should be completed by an employee when leaving his or her position to complete military service.
	<b>Certificate of Return From Military Service</b> —This form should be completed by an employee upon his or her return from military service.
	<b>Employee’s Request to Take Voting Leave</b> —This form should be completed by employees who wish to take leave from work in order to exercise their right to vote.
	<b>Expense Report</b> —This expense report should be used by employees to report business expenses for which they would like reimbursement.
	<b>Mileage Report Form</b> —This form should be used for employees to report miles driven on company business using personal vehicles.
	<b>Report of Jury Duty Pay</b> —This form should be used by employees to report hours or days of work missed due to jury duty.
	<b>Vacation Request Form</b> —This form should be completed by employees wishing to request time off of work for vacation.
	<b>Application for Company-issued Credit Card</b> —This application should be completed by employees wishing to be issued a company credit card for business expenses.



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	<b>Receipt of Company Employee Handbook</b> —This form should be signed by employees to signify that they have received a copy of the employee handbook and that it is their responsibility to read it.
	<b>Receipt of Harassment Policies</b> —This document should be signed by employees to signify that they have received both the Harassment Policy and the Sexual Harassment Policy and understand that it is their responsibility to read them.

## **Types of Health Insurance Plans Quick Reference Guide**

### **Fee-for-service Plan**

Fee-for-service plans are a straightforward type of coverage in which insurers pay for health care services provided to plan participants. With this type of coverage, you can choose any doctor you wish and change doctors any time, or go to any hospital in any part of the country.

### **Health Maintenance Organization (HMO)**

HMOs are a type of health insurance plan that usually limits coverage to care from doctors who work for or contract with the HMO. Premiums are paid monthly, and a copay is due for each office visit and hospital stay. HMOs generally won't cover out-of-network care except in an emergency. An HMO may require you to live or work in its service area to be eligible for coverage.

HMOs also require that you select a primary care physician who is responsible for managing and coordinating all of your health care. Your primary care physician will provide all of your basic health care services, and must give a referral in order for you to see a specialist.

HMOs often provide integrated care and focus on prevention and wellness. HMO plans sometimes include dental and vision coverage.

### **Preferred Provider Organization (PPO)**

PPOs are similar to HMOs in that health care providers enter into an agreement with the insurance companies to offer substantially discounted fees for covered health care services. Your copay and deductibles will also be lower if you choose a provider that is in the PPO network. The payment ratio (what your insurance company pays compared to what you pay) may be high for a PPO plan—for example, it could be in the range of 90/10, with 90% of medical costs paid by the insurance company and 10% covered by the insured after the copay and deductible.

With a PPO, you do not have to choose a primary care physician—you can choose doctors, hospitals and other providers from the PPO network or from out of network. If you want to stick with a particular doctor or health care provider that is out of network, you are able to do so, but the costs will be higher, generally with a 70/30 ratio.

PPO plans typically include preventive care, wellness programs, immunizations, well-baby care and mammograms, along with regular doctor visits, emergency care, specialist treatments, X-rays, hospital stays, surgery and other medical services. PPOs also use a membership card instead of requiring medical insurance claim forms for payment processing.

### **Exclusive Provider Organization (EPO)**

An EPO is similar to a PPO in structure and operation, but the main difference is that services are covered only if you go to doctors, specialists or hospitals in the plan's network. However, there are exceptions for emergencies.

### **Point-of-service Plan (POS)**

POS plans combine elements of both HMO and PPO plans. Like an HMO plan, you may be required to designate a primary care physician who will then make referrals to network specialists when needed. Depending on the plan, services rendered by your primary care physician are typically not subject to a deductible, and preventive care benefits are usually included. Like a PPO plan, you may receive care from non-network providers but with greater out-of-pocket costs.

### **High Deductible Health Plan (HDHP)**

HDHPs are health plans with high deductibles and low premiums; the insurer will not cover most medical expenses until the deductible is met. As an exception, preventive care services are typically covered before the deductible is met. The high deductible provides financial security for more severe illnesses. HDHPs are often designed to be compatible with health savings accounts (HSAs). HSAs are tax-advantaged accounts that can be used to pay for qualified out-of-pocket medical expenses before the HDHP's deductible is met. These expenses can include copayments and coinsurance.

### **Cafeteria Plan**

Cafeteria plans are funding vehicles that allow employees to pay for certain expenses, such as life insurance, disability benefits, medical expenses and child care with pre-tax dollars. Employers select the benefits that will be offered (only certain benefits can be provided), and employees use pre-tax dollars to buy the benefits they want. Employers can also make contributions to subsidize benefits. Cafeteria plans are also known as flexible benefit plans or Section 125 Plans.