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# Sample Employee Handbook

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PRESENTED BY: *Latoya Ghora*   

# [Your Company Name]

## A Guide For Our Employees



**Google Documents is a great resource to create your version of this handbook.**

PRESENTED BY: *Latoya & Nora*    

## Legal Disclaimer

### **For Employers Only**

*The materials in this Sample Handbook are intended to provide a general reference or resource only. The matrix of federal, state, and local laws governing employment are too complex to create a “one size fits all” handbook. These materials are not to be construed as providing legal, accounting, or any other professional service or advice. We strongly advise that you work with experienced legal counsel to develop and implement your own handbook, and before adapting any part of this Sample Handbook for use in your company or organization.*

*Companies operating in more than one state, and even in more than one city in the same state, need to be especially careful because applicable law, particularly in the employment discrimination area, can vary significantly from state to state and even from city to city.*

***It is necessary to update your company policies from time to time to reflect changes in the workforce, employment trends, economic conditions, and state and federal legislation. Laws change and, as a result, the Sample Handbook may not be in compliance with current rules and regulations. In addition, your state or city may have additional or different laws and regulations not contemplated by a particular sample policy.***

**Acknowledgement of Receipt of [Company Name] Employee Handbook**

I acknowledge that I have received a copy of the [Company Name] Employee Handbook (“Handbook”). I understand that I am responsible for reading and abiding by all policies and procedures in this Handbook, as well as other policies and procedures of the Company.

I also understand that the purpose of this Handbook is to inform me of the Company’s policies and procedures, and it is not a contract of employment. Nothing in this Handbook provides any entitlement to me or to any Company employee, nor is it intended to create contractual obligations of any kind. I understand that the Company has the right to change any provision of this Handbook at any time and that I will be bound by any such changes.

I expressly agree to the provisions of Part 6, Dispute Resolution, of the Handbook, in which I have agreed to use alternative dispute resolution, in lieu of litigation, as the sole means of resolving any dispute that may arise between the Company and me, subject to the Company’s right to seek injunctive relief. I understand that by agreeing to arbitration I waive any right I may have to sue or seek a jury trial. The decision of the arbitrator will be final and binding.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Full Name (please print)*

Please sign and date one copy of this acknowledgement and return it to Human Resources. Retain a second copy for your reference.

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## Welcome

It is our privilege to welcome you to [Company Name]. We wish you every success in your new job, and we hope that you quickly feel at home. This Handbook was developed to describe some of the expectations we have for all of our employees and what you can expect from us. We hope that your experience here will be challenging, enjoyable, and rewarding. Again, welcome!

[Signing Name]

[Job Title]

**Employer Note:** *This section is where employees are welcomed, preferably by the president or CEO of the company. You may also wish to talk about the history of the company, its growth, its products, its position in the marketplace, etc.*

*This is also an opportunity to communicate about company culture and values. Your message will create one of the first impressions of the company in the mind of the new employee.*



## Introduction

This Employee Handbook (“Handbook”) is a compilation of personnel policies, practices and procedures currently in effect at [Company Name] (“Company”).

The Handbook is designed to introduce you to our Company, familiarize you with Company policies, provide general guidelines on work rules, benefits and other issues related to your employment, and help answer many of the questions that may arise in connection with your employment.

**This Employee Handbook is not a contract.** Like most American companies, [Company Name] generally does not offer individual employees formal employment contracts with the Company. This Handbook does not create a contract, express or implied, guaranteeing you any specific term of employment, nor does it obligate you to continue your employment for a specific period of time. The purpose of the Handbook is simply to provide you with a convenient explanation of present policies and practices at the Company. This Handbook is an overview or a guideline. It cannot cover every matter that might arise in the workplace. For this reason, specific questions regarding the applicability of a particular policy or practice should be addressed to the Human Resources Department.

The Company reserves the right to modify any of our policies and procedures, including those covered in this Handbook, at any time. We will seek to notify you of such changes by email and other appropriate means. However, such a notice is not required for changes to be effective.

***Employer Note:*** *If you operate in more than one state, or if you are a virtual company with personnel scattered throughout multiple states, you may wish to include the following:*

*We operate in numerous states within the United States. State, local, and federal employment laws change with some frequency, either as a result of a judicial decision or new legislation or regulations. Although we seek to monitor the laws in all states where we have employees, our Handbook may not always reflect the very latest requirements. We are, of course, committed to complying with all applicable laws. If you have specific questions, please contact our Human Resources Department.*

# Part 1 – General Employment Policies and Practices

## ***Equal Employment Opportunity***

The Company is an equal opportunity employer. We will extend equal opportunity to all individuals without regard to race, religion, color, sex (including pregnancy, sexual orientation and gender identity), national origin, disability, age, genetic information, or any other status protected under applicable federal, state, or local laws. Our policy reflects and affirms the Company’s commitment to the principles of fair employment and the elimination of all discriminatory practices. Details of our equal employment opportunity policies are further explained in Part 2 below.

## ***Your Employment Relationship with the Company***

Like most American companies, [Company Name] generally does not offer individual employees a formal employment contract with the Company. Employment is “at will,” meaning that you or the Company may end your employment at any time for any lawful reason.

**This Employee Handbook is not a contract.** It does not create any agreement, express or implied, guaranteeing you any specific terms or conditions of employment. Nothing contained in this Handbook should be construed as creating a contract guaranteeing employment for any specific duration, nor does the Handbook obligate you to continue your employment for a specific period of time. Unless you have entered into an employment agreement that supersedes this document, either you or the Company may terminate the employment relationship at any time. The Handbook does not guarantee any prescribed process for discipline and discharge.

No manager or other representative of the Company, other than the President, has the authority to enter into any agreement guaranteeing employment for any specific period. No such agreement shall be enforceable unless it is in writing and signed by the President<sup>1</sup> and the employee.

## ***Recruitment and Hiring***

The Company’s primary goal when recruiting new employees is to fill vacancies with persons who have the best available skills, abilities or experience needed to perform the work. Decisions regarding the recruitment, selection and placement of employees are made on the basis of job-related criteria.

When positions become available, qualified current employees are encouraged and are welcome to apply for the position. As openings occur, notices relating general information about the position are posted. The manager of the department with the opening will arrange interviews with employees who apply.

We encourage current employees to recruit new talent for our Company.<sup>2</sup>

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<sup>1</sup> The officer may be the CEO or other top executive.

<sup>2</sup> If you provide rewards for such referrals, describe them here.

## **Employment Classifications**

The following terms will be used to describe employment classifications and status:

### **Exempt Employees**

Exempt employees are not subject to the overtime pay provisions of the federal Fair Labor Standards Act (FLSA). An exempt employee is one whose specific job duties and salary meet all of the requirements of the U.S. Department of Labor's regulations. In general, an exempt employee is one who is paid on a salary basis at not less than \$455 per week who holds an administrative, professional, or management position. Certain outside sales persons and a few other job categories are also exempt.

### **Non-Exempt Employees**

Salaried employees who are not administrative, professional, or managerial employees (as defined by the U.S. Department of Labor) and many hourly employees are generally not exempt from the FLSA's overtime provisions.

**Employer Notes:** *Employers must comply with both federal law and applicable state laws. When federal and state standards are different, the law setting the higher standards (i.e., the one that provides greater protection to employees) must be followed.*

*If you have unionized employees, or if you have both exempt and non-exempt employees, you should have one handbook for each group, i.e., a total of three handbooks. You may use a loose leaf version so that you can change pages specific to a particular group. We strongly recommend against providing a "one size fits all" handbook to any group of employees, which advises the employees that certain provisions do not apply to them.*

### **Full-Time Employee**

Full-time employees are those who are regularly scheduled to work at least [40 hours] per week that are not hired on a temporary basis.<sup>3</sup>

### **Part-Time Employee**

Part-time employees are those who are regularly scheduled to work fewer than [40 hours] per week that are not hired on a temporary basis. Part-time employees are not eligible for Company paid benefits, with the exception of the 401(k) plan, except as required by law. Any employee who works 1,000 hours per year or more may participate in the 401(k) plan.<sup>4</sup>

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<sup>3</sup> While employers may set full-time employee status at any level they wish, employers that are subject to the Affordable Care Act's employer shared responsibility ("pay or play") provisions may choose to set 30 hours per week as the threshold. Under federal wage and hour laws, employers must pay non-exempt employees overtime if they work more than 40 hours in a week.

<sup>4</sup> Under the federal Employee Retirement Income Security Act (ERISA), employees working 1,000 hours annually or more are entitled to enroll in certain deferred compensation plans.

## **Temporary Employee**

Employees hired for an interim period of time, usually to fill in for vacations, leaves of absence, or projects of a limited duration. Temporary employees are not eligible for Company paid benefits, except as required by law.

### ***Orientation and Training***

To help you become familiar with the Company and our way of doing things, the Company will provide an orientation and training session within the first few days after you begin work. Some of the content of the session will depend in large part on the nature of your responsibilities, while other parts will be applicable to all employees. In addition, the Company may periodically offer additional training or educational programs. Some programs may be voluntary, while others will be required.

***Employer Note:*** *This section must, of course, be adapted to your practices. We encourage employers to offer some type of orientation for each employee, which will help the employee to quickly adapt to your company's culture and practices. For companies sponsoring group health plans that require employees to complete an employment-based orientation period as a condition for eligibility for coverage, such orientation period must not exceed one month in order to comply with the Affordable Care Act's provisions regarding a 90-day limitation on waiting periods.*

## **Immigration Law Applicable to All Employees**

The Company complies with the Immigration Reform and Control Act of 1986 by employing only U.S. citizens and non-citizens who are authorized to work in the United States. All employees are asked on their first day of work to provide original documents verifying the right to work in the United States and to sign a verification form required by federal law (Form I-9). If you cannot verify your right to work in the United States within three (3) days of hire, the Company is required by law to terminate your employment.

## **Hours of Work**

The workweek is generally from [Monday through Friday], with normal operating hours from [8:30 a.m. to 5:30 p.m.], with one hour for lunch.

**Employer Note:** Exempt employees may or may not have specific times for lunch hours and breaks, since they must by law be paid in full for any day worked. You may wish to schedule a shorter lunch hour, e.g., 30 to 45 minutes.

If you have multiple locations, you may wish to add: “Please contact the Human Resources Department for information on normal business office hours at your location.”

There are no federal laws requiring specific times for lunch and breaks. You should check with employment counsel or your appropriate state agency to determine whether your state has any special requirements.

## **Flex Time and Telecommuting**

The Company recognizes that many employees need flexibility in work schedules in order to meet child care and other needs. Core hours are [9:30 a.m. to 2:30 p.m.] and all employees should be at work during those hours. Within the structure of the core hours, you may schedule your [eight (8) hour] work day as you choose, if the nature of your job permits such flexibility and your supervisor approves your schedule.

The Company also offers employees the opportunity to telecommute. Not all jobs are suitable for telecommuting. You may telecommute up to [three (3) days] per week with the approval of your supervisor.

**Employer Note:** Flex time and telecommuting have become increasingly popular in recent years. In some cases such flexibility may even increase productivity. If flexible scheduling, telecommuting, or other variations on the traditional work week are appropriate to your business, describe your policy and practices clearly. If you implement a program, supervisors should not withhold approval of flexible schedules and telecommuting without good reason.

## **Overtime**

Because of the nature of our business, your job may periodically require overtime work.<sup>5</sup> If the Company requires that you work overtime, we will give you as much advance notice as possible. You should not work overtime hours without prior approval by your immediate supervisor or the designated manager.

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<sup>5</sup> In your handbook for non-exempt employees, insert “Employees who work more than 40 hours in one week are entitled to one and one-half times their base rate of pay for each hour of overtime worked.” (Be sure your policy complies with any applicable state law, which may provide expanded overtime pay requirements.) In your handbook for exempt employees, insert “Exempt employees generally are not entitled to additional pay for overtime. If you are required to work significant additional hours, your supervisor may grant you ‘comp’ time off equal to the accumulated overtime.”

**Employer Notes:** Under the federal Fair Labor Standards Act, time spent doing work not requested by the employer, but still allowed, is generally “hours worked” entitling employees to compensation, since the employer knows or has reason to believe that the employees are continuing to work and the employer is benefiting from the work being done. Employers should be especially careful when it comes to allowing non-exempt employees to read and respond to work-related emails after hours through the use of smart phones or similar devices. Remember—it is the employer's responsibility to exercise control and see that work it does not want performed is not done. Merely making a rule against “off the clock” work is not enough. The employer has the power to enforce the rule and must make every effort to do so.

Although you may voluntarily pay overtime compensation to exempt employees, you are not required to do so under federal law. Non-exempt employees are entitled to overtime pay. Check your state laws as well, as they may impact both overtime compensation and minimum wages. As noted previously, we recommend separate handbooks for exempt and non-exempt employees to eliminate the need to call to employees’ attention the variables in benefits and policies applicable to different groups of employees.

If your company operates on a 24-hour a day, 7-day/week schedule, you may have separate compensation and overtime practices consistent with applicable law. In some instances, e.g., healthcare, an employer may pay overtime for time worked in excess of 80 hours in two weeks rather than 40 hours in one week, subject to employee consent.

## **Attendance and Punctuality**

It is important for you to report to work on time and to avoid unnecessary absences. The Company recognizes that illness or other circumstances beyond your control may cause you to be absent from work from time to time. However, frequent absenteeism or tardiness may result in disciplinary action up to and including discharge. Excessive absenteeism or frequent tardiness puts an unnecessary strain on your co-workers and can have a negative impact on the success of the Company.

You are expected to report to work when scheduled. Whenever you know in advance that you are going to be absent, you should notify your immediate supervisor or the designated manager. If your absence is unexpected, you should attempt to reach your immediate supervisor as soon as possible, but in no event later than one hour before you are due at work. In the event your immediate supervisor is unavailable, you must speak with a manager. If you must leave a voicemail, you must provide a number where your supervisor may reach you if need be.

Some, but not all, absences are compensated under the Company’s leave and benefits policies described in Part 5 below.

You are expected to be at your workstation at the beginning of each business day. If you are delayed, you must call your immediate supervisor to state the reason for the delay. As with

absences, you must make every effort to speak directly with a manager. Regular delays in reporting to work will result in disciplinary action up to and including discharge.

### ***Inclement Weather***

The Company is open for business unless there is a government-declared state of emergency or unless you are advised otherwise by your supervisor. There may be times when we will delay opening, and on rare occasions, we may have to close. Use common sense and your best judgment when traveling to work in inclement weather.

In the event that the Company's facilities are closed by the Company or the government, employees will be paid for the day. If the Company's facilities are open and you are delayed getting to work or cannot get to work at all because of inclement weather, the absence will be charged to (1) personal/sick time, (2) vacation time, or (3) unpaid time off, in that order. You should always use your judgment about your own safety in getting to work.

When severe weather develops or is anticipated to develop during the day and a decision is made by the Company to close before [5:30 p.m.], you will be compensated as if you had worked to the end of your regularly scheduled hours for that day. If you elect to leave prior to the time the Company closes, you will be required to use personal/sick time or vacation time in an amount equal to the number of hours between the time you left and the time the office closed.

***Employer Note:*** Generally, exempt employees must be paid if they work at all during the week (however, an employer that remains open for business during a period of bad weather may generally make deductions, **for full-day absences only**, from the salary of an exempt employee who chooses not to report to work because of the weather and performs no work). You may wish to charge non-exempt employees' sick time or vacation time in the event of tardiness or absence due to inclement weather. We have suggested here that employees be paid if they are unable to work because of a Company decision or government mandate. However, except for rules requiring payment with respect to exempt employees, there is no legal requirement to compensate employees in this manner.

### ***Dress Code and Public Image***

As an employee of the Company, we expect you to present a clean and professional appearance when you represent us, whether you are in or outside of the office. You are, therefore, required to dress in appropriate business attire and to behave in a professional, businesslike manner. It is essential that you act in a professional manner and extend the highest courtesy at all times to co-workers, visitors, customers, vendors and clients. A cheerful and positive attitude is essential to our commitment to extraordinary customer service and exceptional quality.

The current Company dress code is [business-casual]. Please keep in mind, however, that the Company is a professional business office, where clients and others often visit. Generally, clean, neat clothing is acceptable. However, torn jeans or other torn clothing and tee shirts with

inappropriate verbiage or pictures are not appropriate casual attire. As always, please use common sense in your choice of business attire.

It is the intent of this policy to comply with applicable state, local and federal laws prohibiting discrimination on the basis of color, race, religion, sex (including pregnancy, sexual orientation and gender identity), national origin, disability, age, genetic information and any other status protected under such laws.

***Employer Note:*** *In some industries, jeans or shorts and tee shirts are the norm, while in others shirts, ties, and business suits for men and women are the norm. Give careful thought in designing your policy. On the one hand, you want employees to be dressed appropriately, particularly if they interact with customers or clients. On the other hand, too many restrictions may cause unnecessary employee resentment. “Dress down” Fridays are one common variable for companies where business attire is normally required.*

## **Work Space**

Employees are responsible for maintaining the workspace assigned to them. A clean, orderly workspace provides an environment conducive to working efficiently. Employees should keep in mind that their workspace is part of a professional environment that portrays the Company’s overall dedication to providing quality service to its clients. Therefore, your workspace should be clean, organized and free of items not required to perform your job.



## **Office Equipment**

Certain equipment is assigned to staff depending on the needs of the job, such as a calculator, personal computer, printer and access to our central computers and servers. This equipment is the property of the Company and cannot be removed from the office without prior approval from your supervisor. It is expected that you will treat this equipment with care and report any malfunctions immediately to staff members equipped to diagnose the problem and take corrective action.

## **Personnel Records**

It is important that the Company maintain accurate personnel records at all times. You are responsible for notifying your immediate supervisor or the Human Resources Department of any change in name, home address, telephone number, marital status, number of dependents, immigration status, or any other pertinent information. By promptly notifying the Company of such changes, you will avoid compromise of your benefit eligibility, the return of W-2 forms, or similar inconvenience.

## **Performance Reviews, Salary Reviews**

You will have your first performance review at the end of your first **[three (3) months]** of employment with the Company. Thereafter, performance reviews will normally be conducted annually on or about your anniversary date. All performance reviews will be completed in writing by your supervisor or manager on the form designated by the Company, and reviewed during a conference with you. Factors considered in your review include the quality of your job performance, your attendance, meeting the requirements of your job description, dependability, attitude, cooperation, compliance with Company employment policies, any disciplinary actions, and year-to-year improvement in overall performance. Compensation increases are given by the Company at its discretion in consideration of various factors, including your performance review.

***Employer Note:*** Give careful thought to your means and timing of evaluations. If you promise annual evaluations in the handbook, ensure that all supervisors perform annual evaluations. We cannot stress enough the importance of written evaluations for a variety of reasons, including supporting discipline, discharge, layoff, etc. Be certain that what you say in the handbook is in fact what you actually do in practice.

## ***Internet Access***

Access to the Internet is given principally for work-related activities or approved educational / training activities. Incidental and occasional personal use and study use is permitted. This privilege should not be abused and must not affect the employee's performance of employment-related activities.

## **Right to Monitor**

The Company email and Internet system is at all times the property of the Company. By accessing the Internet, Intranet and electronic mail services through facilities provided by the Company, you acknowledge that the Company (by itself or through its Internet Service Provider) may from time to time monitor, log and gather statistics on employee Internet activity and may examine all individual connections and communications. Please note that the Company uses email filters to block spam and computer viruses. These filters may from time to time block legitimate email messages.

## **Responsibilities and Obligations**

Employees may not access, download or distribute material that is illegal, or which others may find offensive or objectionable, such as material that is pornographic, discriminatory, harassing, or an incitement to violence.

You must respect and comply with copyright laws and intellectual property rights of both the Company and other parties at all times. When using web-based sources, you must provide appropriate attribution and citation of information to the websites. Software must not be downloaded from the Internet without the prior approval of qualified persons within the Company.

## **Violation of this Policy**

In all circumstances, use of Internet access and email systems must be consistent with the law and Company policies. Violation of this policy is a serious offense and, subject to the requirements of the law, may result in a range of sanctions, from restriction of access to electronic communication facilities to disciplinary action, up to and including termination.

## ***Email***

The email system is the property of the Company. All emails are archived on the server in accordance with our records retention policy, and all emails are subject to review by the Company. You may make limited use of our email system for personal business matters, so long as such use is kept to a minimum and does not interfere with your work.<sup>6</sup>

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<sup>6</sup> This illustrates an area where having exempt and non-exempt employee handbooks is helpful. Non-exempt employees might be required to use email for personal matters only on break time or lunch time. Exempt employees usually have no formal lunch times or break times and may need to access email for personal use whenever there is a break in their work time.

The Company email system is Company property, and as such, is subject to monitoring. System monitoring is done for your protection and the protection of the rights or property of the provider of these services. Please consider this when conducting personal business using Company hardware and software.

Electronic mail is like any other form of Company communication, and may not be used for harassment or other unlawful purposes. Your email account is a Company-provided privilege, and is Company property. Remember that when you send email from the Company domain, you represent the Company whether your message is business-related or personal.<sup>7</sup>

### **Confidentiality of Electronic Mail**

As noted above, electronic mail is subject at all times to monitoring, and the release of specific information is subject to applicable laws and Company rules, policies and procedures on confidentiality. Existing rules, policies and procedures governing the sharing of confidential information also apply to the sharing of information via commercial software.

### **Social Media**

The term “social media” includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else’s web log or blog, journal or diary, personal website, social networking or affinity website, web bulletin board, or a chat room, whether or not associated or affiliated with the Company, as well as any other form of electronic communication. The same principles and guidelines found in the Company rules, policies and procedures apply to an employee’s social media activities online.

Any conduct that adversely affects an employee’s job performance or the performance of fellow employees, or otherwise adversely affects the Company’s legitimate business interests, may result in disciplinary action, up to and including termination. Similarly, inappropriate postings, including but not limited to discriminatory remarks, harassment and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may result in disciplinary action, up to and including termination. However, this restriction will not apply to any postings made in the exercise of any rights granted to an employee by federal law.<sup>8</sup>

### **Telephones**

Access to the Company telephone system is given principally for work-related activities or approved educational / training activities. Incidental and occasional personal use is permitted. This privilege should not be abused and must not affect the employee’s performance of employment-related activities. Telephone usage should be based upon cost-effective practices that support the Company’s mission and should comply with applicable rules and regulations.

You should use common sense and your best judgment when making or receiving personal cellular phone calls at work. To the extent possible, employees should make personal cell phone calls during their breaks or lunch times. The use of cameras on cell phones during work hours is prohibited to protect the privacy of the Company as well as of fellow employees. However, this

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<sup>7</sup> Many companies have more restrictive email policies. Whatever policy you adopt, you must apply it consistently and without favoritism or discrimination.

restriction will not apply to any recordings made in the exercise of any rights granted to an employee by federal law.<sup>8</sup>

The Company telephone system is at all times the property of the Company. By accessing the telephone system through facilities provided by the Company, you acknowledge that the Company has the right to monitor its telephone system from time to time to ensure that employees are using the system for its intended purposes.

The Company prohibits the use of hand-held cellular devices while driving. Employees are strongly encouraged to use a hands-free cellular device while driving, should the use become a necessity in the course of employment. Sending and/or receiving text messages is expressly prohibited while operating any vehicle.

***Employer Note:*** You will need a clear policy on the use of company computers, cell phones, fax machines, and other equipment for personal use. Today, there is generally little or no cost to the use of such equipment by employees. Employees may expect to be able to check home email or check news on the Web during the day. You should set forth clearly here what employees are permitted to do and what they are prohibited from doing. This policy is simply one suggestion. If you have no policy or practice, consider creating one that is appropriate for your business and company culture.

## **Smoking**

In order to provide a safe and comfortable working environment for all employees, smoking is strictly prohibited at all times inside any Company building.

***Employer Note:*** Please check your state laws to determine if there is a no-smoking law for the workplace and whether the law includes electronic smoking devices (“e-cigarettes”). If there is, you may use the following in your handbook: “In compliance with state law and in order to provide a safe and comfortable working environment for all employees, smoking (including the use of electronic smoking devices) is strictly prohibited at all times inside any Company building.”

## **Drug-Free Workplace**

The Company takes seriously the problem of drug and alcohol abuse, and is committed to providing a substance abuse-free workplace for its employees. Substance abuse of any kind is inconsistent with the behavior expected of our employees, subjects all employees and visitors to

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<sup>8</sup> Under the federal National Labor Relations Act, employees are granted a right to engage in "concerted activity." Although concerted activity is often thought of as an activity aimed toward unionization, it can be nothing more than two or three employees uniting to complain about something. The National Labor Relations Board ruled in late 2015 that any employer rule banning the use of cell phones or other devices for recording, as well as the posting of photographs and recordings on social media, must make an exception for taping (or posting) in the exercise of protected "concerted activity." The policy as stated here protects employees' rights under this ruling.

our facilities to unacceptable safety risks, and undermines our ability to operate effectively and efficiently.<sup>9</sup> The Company has adopted a formal policy related to substance abuse. A copy of the complete policy is contained in this Handbook.

***Employer Note:*** *Your complete policy, if any, including any provisions for random or reasonable cause-based testing should be set forth in the handbook. To help build your own company drug-free workplace policy, please [click here](#).*

## **Substance Abuse**

The Company recognizes alcohol and drug abuse as potential health, safety and security problems. The Company expects all employees to assist in maintaining a work environment free from the effects of alcohol, drugs or other intoxicating substances. Compliance with this substance abuse policy is made a condition of employment, and violations of the policy may lead to discipline and/or discharge.

All employees are prohibited from engaging in the unlawful manufacture, possession, use, distribution or purchase of illicit drugs, alcohol or other intoxicants, as well as the misuse of prescription drugs on Company premises or at any time and any place during working hours. While we cannot control your behavior off the premises on your own time, we certainly encourage you to behave responsibly and appropriately at all times.<sup>10</sup> All employees are required to report to their jobs in appropriate mental and physical condition, ready to work.

Substance abuse is an illness that can be treated. Employees who have an alcohol or drug abuse problem are encouraged to seek appropriate professional assistance. You may inform your immediate supervisor, designated manager, or Human Resources for assistance in seeking help to address substance abuse, who can also help you determine coverage available under the Company's medical insurance plan.

When work performance is impaired, admission to or use of a treatment or other program does not preclude appropriate action by the Company.

Any violator of this substance abuse policy will be subject to disciplinary action up to and including termination of employment.

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<sup>9</sup> If your company is subject to the federal Drug Free Workplace Act, add the following statement here: "Any employee who is convicted of any criminal drug violation occurring on Company property or during working times, shall notify his or her immediate supervisor, designated manager, or Human Resources within five (5) days of the date of conviction. A conviction includes a finding of guilt, including a plea of no contest, or imposition of sentence, or both."

<sup>10</sup> An employer may wish to add: "However, any off duty activity, including drug or alcohol related activity, that leads to your arrest or that causes embarrassment to the Company may be grounds for discipline and/or discharge."

***Employer Notes:*** Some states provide discounts in workers' compensation premiums to employers that implement drug-free workplace policies. Check with legal counsel or state authorities to determine whether your state provides such discounts, as well as to determine any state law governing drugs in the workplace.

*With respect to drug testing, state or local law may mandate a particular protocol or procedure in order to protect employees against false positives and careless handling of blood and urine samples, as well as to protect employees' privacy. Before implementing any drug testing program, check to determine whether your jurisdiction has any directives affecting your testing and the results of the testing.*

*Employee substance abuse costs employers billions of dollars annually. It is, however, an illness that can be treated. You may wish to provide that the company will provide support to employees who reveal their addiction and seek help, and such employees will not be subject to discipline, whereas if their addiction is discovered as a result of misuse of drugs or alcohol at work, there will be no such clemency. If you have an employee assistance program (EAP), employees should be referred to that program rather than to the HR Department. Confidentiality is critical for employees to be willing to seek help.*

## **Safety and Accident Rules**

Safety is a joint venture at the Company. We provide a clean, hazard-free, healthy, safe environment in which to work and make every effort to comply with all relevant federal, state and local occupational health and safety laws, including the federal Occupational Safety and Health Act. As an employee, you have a duty to comply with the safety rules of the Company, and you are expected to take an active part in maintaining this hazard-free environment. You should observe all posted safety rules, adhere to all safety instructions provided by your supervisor and use safety equipment where required. Your workspace should be kept neat, clean and orderly. You are required to report any accidents or injuries – including any breaches of safety – and to promptly report any unsafe equipment, working condition, process or procedure to a supervisor. In addition, if you become ill or get hurt while at work, you must notify your manager immediately. Failure to do so may result in a loss of benefits under the state workers' compensation law.

Failure to abide by the Company's safety and accident rules may result in disciplinary action, up to and including termination.

## **Workplace Violence Prevention Policy**

As stated above, the Company is committed to the safety and security of our employees. Workplace violence presents a serious occupational safety hazard to our organization, staff, and clients.

Workplace violence includes any physical assault or act of aggressive behavior occurring where an employee performs any work-related duty in the course of his or her employment including

but not limited to an attempt or threat, whether verbal or physical, to inflict physical injury upon an employee; any intentional display of force which would give an employee reason to fear or expect bodily harm; intentional and wrongful physical contact with a person without his or her consent that entails some injury; or stalking an employee with the intent of causing fear of material harm to the physical safety and health of such employee when such stalking has arisen through and in the course of employment.

Acts of violence by or against any of our employees where any work-related duty is performed will be thoroughly investigated and appropriate action will be taken, including involving law enforcement authorities when warranted. All employees are responsible for helping to create an environment of mutual respect for each other as well as clients and visitors, following all policies, procedures and practices, and for assisting in maintaining a safe and secure work environment.

### ***Promotions and Transfers***

In an effort to match you with the job for which you are most suited and/or to meet the business and operational needs of the Company, you may be transferred from your current job. This may be either at your request or as a result of a decision by the Company.

Reasons for transfer may include, but are not necessarily limited to, fluctuations in department workloads or production flow; a desire for more efficient utilization of personnel; increased career opportunities; personality conflicts; health; other personal situations; or other business reasons.

Most job openings that are intended to be filled from within the Company will be posted on the *[Insert where postings occur, e.g., company intranet, bulletin board, newsletter]*. The management of the Company does reserve the right, however, to transfer or promote an employee without posting the availability of that position. Temporary transfers may be made at the discretion of the Company management.

You are eligible to request a transfer and to be considered for promotions upon completion of *[six (6) months]* of satisfactory performance in your current job. Your eligibility is also dependent, of course, on your having the needed skills, education, experience and other qualifications that are required for the job. However, a transfer may take place within the first *[six (6) months]* of employment if the management of the Company believes that it is in the best interest of the Company to make an exception to this guideline.

## Part 2 – Anti-Discrimination & Harassment

**Employer Note:** Every employer must determine the specifics of applicable state and local law, which are often more stringent than federal law. For example, discrimination may be prohibited based upon personal appearance, family responsibilities, matriculation, or political affiliation. Employers are strongly encouraged to prohibit any kind of discrimination.

Note that Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, and the Genetic Information Nondiscrimination Act apply to employers of 15 or more employees in 20 or more weeks of the calendar year. The Age Discrimination in Employment Act applies to employers with 20 or more employees. Some states also have similar statutes prohibiting discrimination that apply to smaller employers.

**Affirmative Action:** Employers who are government contractors may be subject to Executive Order 11246, Executive Order 13665, Directive 307 and other federal laws which prohibit discrimination on the basis of race, color, religion, sex, sexual orientation, gender identity, or national origin, and require that employers take steps to ensure equal employment opportunity in the workplace. If you are subject to these laws add:

*“The Company has developed affirmative action plans for minorities and women, individuals with disabilities, and Vietnam-era or special disabled veterans. These plans, or relevant portions of them, are available for your inspection upon request.”*

### **Discrimination Is Prohibited**

The Company is an equal opportunity employer and makes all employment decisions without regard to race, religion, color, sex (including pregnancy, sexual orientation and gender identity), national origin, disability, age, genetic information, or any other status protected under applicable federal, state, or local laws. This policy applies to all terms and conditions of employment, including but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, benefits, compensation and training. We seek to comply with all applicable federal, state and local laws related to discrimination and will not tolerate the interference with the ability of any of the Company’s employees to perform their job duties.

The Company makes decisions concerning employment based strictly on an individual’s qualifications and ability to perform the job under consideration, the comparative qualifications and abilities of other applicants or employees, and the individual’s past performance within the organization.

If you believe that an employment decision has been made that does not conform with management’s commitment to equal opportunity, you should promptly bring the matter to the attention of your immediate supervisor, designated manager, or Human Resources. Your complaint will be promptly, thoroughly and impartially investigated. There will be no retaliation



against any employee who files a complaint in good faith, even if the result of the investigation produces insufficient evidence to support the complaint.

### ***Americans with Disabilities Act***

The federal Americans with Disabilities Act (ADA) prohibits discrimination against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, fringe benefits, job training and other terms, conditions and privileges of employment. The ADA does not alter the Company's right to hire the best-qualified applicant, but it does prohibit discrimination against a qualified applicant or employee because of his or her disability, or because of a perceived disability. As a matter of Company policy, the Company prohibits discrimination of any kind against people with disabilities.

### **Disabled Defined**

An applicant or employee is considered disabled if he or she (1) has a physical or mental impairment that substantially limits one or more major life activities; (2) has a record or past history of such an impairment; or (3) is regarded or perceived (correctly or incorrectly) as having such impairment.

A qualified employee or applicant with a disability is an individual who satisfies the requisite skill, experience, education and other job-related requirements of the position held or desired, and who, with or without reasonable accommodation, can perform the essential functions of that position.

### **Reasonable Accommodation**

A reasonable accommodation is any change in the work environment (or in the way things are usually done) to help a person with a disability apply for a job, perform the duties of a job, or enjoy the benefits and privileges of employment.

Qualified applicants or employees who are disabled should request reasonable accommodation from the Company in order to allow them to perform a particular job. If you are disabled and you desire such reasonable accommodation, contact your immediate supervisor, designated manager, or Human Resources. On receipt of your request we will meet with you to discuss your disability. We may ask for information from your health care provider(s) regarding the nature of your disability and the nature of your limitations or take other steps necessary to help us determine viable options for reasonable accommodation. We will then work with you to determine whether your disability can be reasonably accommodated, and if it can be accommodated, we will explore alternatives with you and endeavor to implement a mutually agreeable accommodation.

Reasonable accommodation may take many forms and it will vary from one employee to another. Please note that according to the ADA, the Company does not have to provide the exact accommodation you want, and if more than one accommodation works, we may choose which one to provide. Furthermore, the Company does not have to provide an accommodation if doing so would cause undue hardship to the Company.

## **Workplace Harassment**

The Company is committed to providing a work environment that provides employees equality, respect and dignity. In keeping with this commitment, the Company has adopted a policy of “zero tolerance” with regard to employee harassment. Harassment is defined under federal law as unwelcome conduct that is based on race, color, religion, sex (including pregnancy, sexual orientation and gender identity), national origin, age (40 or older), disability or genetic information. Harassment becomes unlawful where: (1) enduring the offensive conduct becomes a condition of continued employment; or (2) the conduct is severe or pervasive enough to create a work environment that a reasonable person would consider intimidating, hostile, or abusive.

This policy applies to all terms and conditions of employment. Harassment of any other person, including, without limitation, fellow employees, contractors, visitors, clients or customers, whether at work or outside of work, is grounds for immediate termination. The Company will make every reasonable effort to ensure that its entire community is familiar with this policy and that all employees are aware that every complaint received will be promptly, thoroughly and impartially investigated and resolved appropriately. The Company will not tolerate retaliation against anyone who complains of harassment or who participates in an investigation.

## **Sexual Harassment**

Sexual harassment is prohibited by federal, state and local laws, and applies equally to men and women. Federal law defines sexual harassment as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when the conduct: (1) explicitly or implicitly affects a term or condition of an employee’s employment; (2) is used as the basis for employment decisions affecting the employee; or (3) unreasonably interferes with an employee’s work performance or creates an intimidating, hostile or offensive working environment.

Such conduct may include, but is not limited to: subtle or overt pressure for sexual favors; inappropriate touching; lewd, sexually oriented comments or jokes; foul or obscene language; posting of suggestive or sexually explicit posters, calendars, photographs, graffiti, or cartoons; and repeated requests for dates. Company policy further prohibits harassment and discrimination based on sex stereotyping. (Sex stereotyping occurs when one person perceives a man to be unduly effeminate or a woman to be unduly masculine and harasses or discriminates against that person because he or she does not fit the stereotype of being male or female.) The Company encourages reporting of all perceived incidents of sexual harassment, regardless of who the offender may be. Every employee is encouraged to raise any questions or concerns with his or her immediate supervisor, designated manager, or Human Resources.<sup>11</sup>

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<sup>11</sup> Given the significant and costly liability that can arise from hostile work environments and sexual and other harassment generally, an employer may wish to mandate employee reporting of any harassment the employee observes, with the consequence of failing to report that the observing employee would be considered an accessory to the harassment.

**Employer Note—Harassment:** *It is critically important for every employer to have a well-crafted anti-harassment policy which both implements a zero tolerance policy regarding harassment and provides an effective means for employees to report harassment without fear of retaliation.*

*Employers may be liable for harassment by supervisors and fellow employees. In some cases they can be liable for harassment from outside parties like customers. Employers are required to exercise reasonable care to prevent and promptly correct any harassment. The existence of a well-crafted, effective policy is evidence of that reasonable care. If an employee alleges sexual harassment, the existence of the policy will, in many cases, provide the basis of an affirmative defense against the allegation.*

### **Supervisors' Responsibilities**

All managers are expected to ensure a work environment free from sexual and other harassment. They are responsible for the application and communication of this policy within their work area. Managers should:

- Encourage employees to report any violations of this policy *before* the harassment becomes severe or pervasive.
- Make sure the Human Resources Department is made aware of any inappropriate behavior in the workplace.
- Create a work environment where sexual and other harassment is not permitted.

### **Procedures for Reporting and Investigating Harassment**

Employees should report incidents of inappropriate behavior or sexual harassment as soon as possible after the occurrence. Employees who believe they have been harassed, regardless of whether the offensive act was committed by a manager, co-worker, vendor, visitor, or client, should promptly notify their immediate supervisor, designated manager, or Human Resources.<sup>12</sup> If the employee's immediate supervisor is involved in the incident, the employee should report the incident to the Human Resources Department. Every claim of harassment will be treated seriously, no matter how trivial it may appear. All complaints of harassment, sexual harassment, or other inappropriate sexual conduct will be promptly, thoroughly and impartially investigated by the Company.

There will be no retaliation for filing or pursuing a harassment claim. To the extent possible, all complaints and related information will remain confidential except to those individuals who need the information to investigate, educate, or take action in response to the complaint.

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<sup>12</sup> Regardless of who handles the investigation, the Director of HR, if you have one, should be advised of the allegations. The Director or other officer should advise the General Counsel. If there is no General Counsel, the CEO or President or his or her designee should be informed because of the potential liability issues.

All employees are expected to cooperate fully with any ongoing investigation regarding a harassment incident. Employees who believe they have been unjustly charged with harassment can defend themselves verbally or in writing at any stage of the investigation.

To protect the privacy of persons involved, confidentiality will be maintained throughout the investigatory process to the extent practicable and appropriate under the circumstances.

Investigations may include interviews with the parties involved, and where necessary, individuals who may have observed the alleged conduct or who may have relevant knowledge.

At the conclusion of a harassment investigation, the complainant and the “alleged harasser” shall be informed of the determination. Where appropriate, the “harasser” and the “victim” may be offered mediation or counseling through an employee assistance program (EAP).

### ***Penalties for Violation of Anti-Harassment Policy***

If it is determined that inappropriate conduct has occurred, the Company will act promptly to eliminate the offending conduct, and take such action as is appropriate under the circumstances. Such action may range from counseling to termination of employment, and may include such other forms of disciplinary action, as the Company deems appropriate under the circumstances and in accordance with applicable law.

## Part 3 – Compensation

### **Payroll Practices**

Employees are paid [semi-monthly], on or about [the 15th and the 30th of each month]. If the regularly scheduled payroll date falls on a Saturday, the Company will attempt to deliver paychecks on Friday. If the regular payday falls on a Sunday, employees will be paid on Monday. When a payroll date falls on a holiday, employees will, when possible, be paid on the last business day before the holiday. Otherwise, employees will be paid on the first business day following the scheduled payroll date.

***Employer Note:** State payday requirements vary. While employers are generally permitted to pay more frequently than the minimum requirements, employers should ensure that any payroll policy or practice complies with applicable state law governing how and when employees are to be paid.*

### **Salary Deductions and Withholding**

The Company will withhold the following from your paycheck:

#### **Taxes**

Federal, state and local taxes, as required by law, as well as the required FICA (Social Security and Medicare) payments.

#### **Insurance**

Your contribution to health insurance or other insurance premiums for yourself and any eligible family members or to other contributory benefit programs.

#### **Other Deductions**

Other deductions which you authorize, including [short-term disability insurance, flexible spending account (FSA) contributions, and 401(k) contributions].

#### **Direct Deposit**

You may have your paycheck deposited directly into your bank account. You will be given the authorization form for deposit by your immediate supervisor, designated manager, or Human Resources.



## **Part 4 – Benefits**

### ***General***

This section describes the fringe benefits provided by the Company and information on your eligibility for benefits. Details regarding each benefit plan are contained in the Company's Benefit Booklet.<sup>13</sup> Benefit plans governed by the federal Employee Retirement Income Security Act (ERISA) may be further described in formal summary plan descriptions or other legal documents available for your review in the Human Resources Department.

Full-time employees are eligible to participate in the various insurance programs offered by the Company on their first day of employment. Periodically there will be an Open Enrollment period (described below). If you decline to participate in these programs on your initial eligibility date, you may request entry into the plan during Open Enrollment or Special Enrollment (described below).

### ***Medical Insurance***

The Company offers medical insurance to all full-time employees. Employees may choose from several plans. Details of the plans may be found in the benefit booklets. This Handbook does not constitute such a legal document. The Company offers medical and dental coverage for eligible employees and their eligible dependents. These programs are administered by a major medical insurance carrier or health maintenance organization (HMO). An employee contribution for coverage will be deducted from your salary based on your benefit selections. Your Summary Plan Description (SPD) contains more details about these plans. For more details, please refer to the specific SPD that governs each of the plans. In the event of any conflict between the information contained in this Handbook and in the Company's SPDs, the SPDs shall govern. These plans are subject to change at the Company's discretion. Additionally, the amount that you may be required to contribute towards the premiums for any of these plans may be changed at the Company's discretion.

### ***Employee Contributions***

The Company's benefit package is contributory; that is, you are responsible for a portion of the premium for your benefits. A portion of the premium, up to a maximum per month, is contributed by the Company. Your contributory cost is deducted from your paycheck.

### ***Late Applicants***

At the time you are hired, you are given an opportunity to elect certain benefits. If you waive participation in any of these programs for either yourself or your eligible dependents, you will generally be allowed to apply for entry into the various plans only during Open Enrollment.

### ***Open Enrollment***

The Open Enrollment period allows employees to add or change their benefits coverage. Applications for *medical, dental, short-term disability (STD), long-term disability (LTD), life*

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<sup>13</sup> The details of benefits can be attached to this handbook as appendices or set out in a separate booklet.

*insurance and supplemental life insurance*] may be submitted during this period. Changes, additions and other elections made during Open Enrollment will take effect on the effective date following the Open Enrollment period. Once you have made a change, you generally cannot change that selection until the next Open Enrollment period (except in the case of certain life events; see Special Enrollment).

### **Special Enrollment**

Special enrollment allows individuals who previously declined coverage to enroll in the plan upon loss of eligibility for other coverage and upon certain life events, such as marriage and the birth, adoption, or placement for adoption of a child. Employees must generally request enrollment within 30 days of the loss of coverage or life event triggering the special enrollment. For specific details regarding special enrollment, please refer to your Summary Plan Description.

### **Continuation of Health Coverage**

Federal law generally requires employers with 20 or more employees to give employees, spouses (including same-sex spouses) and dependent children the right to continue group health benefits for limited periods of time under certain circumstances, such as voluntary or some types of involuntary job loss, reduction in hours worked, death, divorce and other life events. Employees ordinarily may continue their health coverage for up to 18 months when their employment is terminated.

**Employer Note:** *Many states have their own continuation of coverage laws ("mini-COBRA") which apply to employers of fewer than 20 employees and/or extend required periods of continuation coverage provided under federal law. Be sure to comply with your state's laws on continuation of coverage in addition to the federal COBRA law.*

### **Dental Insurance**

The Company offers a dental plan for eligible employees. Please refer to the dental Summary Plan Description for an explanation of the plan benefits and limitations.

### **Short-Term Disability Plan (STD)**

A short-term disability plan is provided for eligible full-time employees. Please refer to the STD Summary Plan Description for an explanation of the plan benefits and limitations.



**Employer Note:** Five states require employers to provide temporary disability benefits for employees. These states require employers to provide a minimum amount of short-term disability benefits to employees while they are prevented from working due to an **off-the-job** injury or illness. Some states permit insurance companies to provide the coverage; others insist that all coverage be provided by the state and paid for through payroll taxes. Each state's plan and administration is handled differently, including eligibility requirements, benefit amounts and the duration of benefits. The following states require some form of a disability plan:

- [California](#)
- [Hawaii](#)
- [New Jersey](#)
- [New York](#)
- [Rhode Island](#)

Accordingly, be sure to comply with your state's short-term disability laws.

### **Long-Term Disability Plan (LTD)**

Long-term disability coverage is a voluntary benefit that may be made available to employees. This benefit would pay a portion of your regular salary for an extended period of time. LTD is employee-specific. If you elect this type of coverage, please refer to the LTD Summary Plan Description for an explanation of the plan benefits and limitations.

### **Life Insurance**

Full-time employees are eligible for and are automatically enrolled in a group term life insurance program. Enrollees may designate or change the beneficiary for this policy at any time. The Company pays the premium for this program. The face value of this benefit is equal to one times the employee's annual salary. For details please refer to the plan SPD.

### **Supplemental Life Insurance**

Full-time employees are eligible to purchase supplemental life insurance for themselves at group rates. Supplemental life insurance is a voluntary benefit and is employee-specific. Enrollees should refer to the plan SPD for eligibility requirements, plan limitations and additional information.

### **Workers' Compensation Insurance**

To provide for payment of your medical expenses and for partial salary continuation in the event of a work-related accident or illness, you are covered by workers' compensation insurance, provided by the Company and based on state regulations. The amount of benefits payable, as well as the duration of payments, depends upon the nature of your injury or illness. However, all medical expenses incurred in connection with an on-the-job injury or illness and partial salary payments are paid in accordance with applicable state law. If you are injured or become ill on the

job, you must immediately report the injury or illness to your manager and the Human Resources Department. This ensures that the Company can help you obtain appropriate medical treatment. Your failure to follow this procedure may delay your benefits or may even jeopardize your receipt of benefits. Questions regarding workers' compensation insurance should be directed to the Human Resources Department.

### ***Travel***

Details of the Company's Travel and Expense Reimbursement Policy are contained in the appendix to this Handbook.<sup>14</sup>

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<sup>14</sup> If you do not have a formal travel policy, consider adopting one. Alternatively, you may wish to make a general statement, e.g., "The Company will reimburse you for reasonable business and travel expenses incurred in the course of Company business. All flights within the continental United States must be in coach. Flights outside of the continental United States may be in business class."

## Part 5 – Holidays, Vacation and Other Leave

### **Religious Observance**

Federal and state equal opportunity laws generally require employers to accommodate the religious beliefs of employees, but do not require them to provide paid leave. The Company respects your religious beliefs, however, and therefore, will provide [one (1) day] of paid leave to employees who, for religious reasons, must be away from the office on days of normal operation. Employees who require additional time off may use vacation and/or personal days. This leave must be requested through the department manager two weeks prior to the event.

**Employer Note:** Federal law and the laws of many states require an employer to make “reasonable accommodation” for the religious practices of employees, and prohibit any form of discrimination based upon religion. It is often helpful to grant an additional day or two that employees may take for religious observance, e.g., Jewish High Holy Days.

### **Vacation**

The Company recognizes the importance of vacation time in providing rest, recreation and personal enrichment. Vacations are established on a calendar-year basis.

Full-time employees earn vacation time as follows:

[1st year of employment]	Two (2) weeks
2nd through 5th year of employment	Twelve (12) days
6th through 15th year of employment	Three (3) weeks
16th year of employment and following	Four (4) weeks]

Part-time employees earn vacation on a pro-rata basis. For example, an employee who works 30 hours per week will earn  $\frac{3}{4}$  of the amount of vacation a full-time employee earns, while one working one-half time earns one-half the vacation of a full-time employee.

### **Accrual and Carryover**

Employees begin accruing vacation when they first begin work for the Company. Employees may use their vacation at any time after the first [90 days] of employment. Employees may generally carry over vacation days from one year to the next. However, to encourage employees to use vacation, there is a cap on the amount of vacation that can be accumulated. Vacation accrual is capped at one and one half times an employee’s annual vacation accrual rate. Once the cap is reached, an employee will not be able to accumulate any more vacation until some of it is used and drops below the cap. After vacation goes below the cap, employees can begin accruing vacation again.

**Employer Note:** Some states, like California, have specific requirements with respect to payment for earned and unearned (advanced) vacation time upon termination of employment. It is prudent to consult with an employment law attorney who knows your state laws to review the company's vacation policy and to avoid any improper deductions from the final paycheck.

## Procedure

Requests for vacation time should be submitted to your supervisor as soon as you know when you wish to schedule your vacation, but in no event less than two weeks prior to the time requested. Vacation requests are approved by your immediate supervisor. Vacation time is coordinated so that sufficient staff is available to provide adequate coverage at all times, and there may be Company-wide or department-specific “blackout dates,” as necessary. Vacation requests are granted on a first-come, first-served basis. In the event of a conflict in vacation requests, your supervisor will consider the Company’s staffing needs during the relevant period, as well as the length of service with the Company of the employees involved.

***Vacation Options:** There are innumerable variables regarding vacation. You may wish to specify that employees earn so many hours or days of vacation each month or each pay period, and prohibit use of vacation not yet accrued.*

*The vacation time suggested here is a minimum. There is much to be said for giving employees three to four weeks of vacation early on in their job tenure, allowing them to go perhaps as high as six weeks if they are with you for many years. It is common for managers to earn more vacation than non-managerial employees. In fact, managers may often be able to negotiate variations in vacation time at the time of hire. It is wise to address benefits unique to managers in a separate handbook or in a supplement to this one.*

*Some employers prefer to give employees a specified number of days annually to use for vacation, illness, personal needs, etc. Such a policy may reduce employee abuse of sick leave. The downside of such a policy, however, is that sick employees may come to work in order to avoid losing vacation time and infect other employees. Similarly, an employee who suffers a serious injury or illness may have no time left for vacation.*

## Holiday Pay

Employees are entitled to the following paid holidays:<sup>15</sup>

- New Year’s Day
- Birthday of Martin Luther King, Jr.
- Washington’s Birthday
- Memorial Day
- Independence Day
- Labor Day
- [Columbus Day]
- [Veterans Day]
- Thanksgiving Day

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<sup>15</sup> The holidays in brackets are federal holidays not observed by all private sector employers. The day after Thanksgiving is not a federal holiday, but many employers close that day. Likewise, some employers are closed between Christmas Day and New Year’s Day. Also note that some states have holidays unique to their state and may require premium pay for hours worked by non-exempt employees on certain holidays.

[Day after Thanksgiving]

Christmas Day

## **Personal Leave**

Personal leave may be used for the following:

- Medical and dental appointments for yourself or family members;
- Your personal illness or that of a member of your family; or
- Personal business that cannot be tended to outside of work hours, e.g., a house closing.

You are not required to give any specific reason for using your personal/sick time. However, when you do take personal/sick time you should give your immediate supervisor as much advance notice as possible.

You will accrue four [(4) hours] of personal leave each month, up to a total of [six (6) days] per 12-month period. You may carry over personal leave from year to year and accumulate a maximum of [480 hours of leave] for full-time employees and [240 hours] for part-time employees.

***Employer Note:*** Determining how much leave to provide employees is always a challenge. On the one hand, if employees have too much leave, some employees may abuse it. Excessive absenteeism creates myriad problems for an employer. On the other hand, it is generally in the employer's best interest that employees who are ill stay home. There are also times when employees have to have time to take care of personal business.

The other major consideration is whether to allow accrual and if so, how much. If you have a short term disability plan, then the parameters of the plan may dictate leave accrual. Employees need only accumulate leave to cover the period before the plan becomes effective if they are disabled. On the other hand, absent a plan, allowing employees to accrue enough leave to be paid during FMLA leave has many attributes. A total of 480 hours is suggested as this is the total leave for a 40 hour per week employee for 12 weeks of FMLA.

In addition, many states require private employers to provide a certain amount of sick leave, either with or without pay, to their employees. In some states, employees must meet specific requirements (such as satisfying certain notification procedures) in order to obtain such leave. As a result, employers in certain instances may be required to comply with only the federal law, only the state law, or both. If there is any question as to which law applies to a particular employer or situation, the employer should contact a knowledgeable employment law attorney or contact their state labor department for specific guidance.

## Notification Procedures

When you are absent from work and your absence has not been previously scheduled, you must personally notify your immediate supervisor or manager as soon as you are aware that you will be late or unable to report to work. Leaving a voicemail or message with another staff member does not qualify as notifying your supervisor.

When absence is due to illness, the Company reserves the right to require appropriate medical documentation. Such documentation need only include the employee's name, the date and time the employee was seen, and if applicable, a specific instruction regarding the employee's incapacity to perform his or her job. Excessive absenteeism or tardiness can result in discipline, up to and including discharge. (Also see the section on Family & Medical Leave for extended leave situations.)

If you are absent because of an accident or you are absent for longer than seven (7) days due to illness, compensation is paid under the benefits of the Company's short-term disability plan, provided you are eligible for and participate in that plan.

## Bereavement Leave

Employees will receive up to **three (3) days** of paid time off in the event of the death of a member of their immediate family. Immediate family includes spouses, domestic partners, children, parents, parents-in-law, brothers or sisters, and brothers-in-law or sisters-in-law. You are allowed **one (1) day** of paid leave in the event of the death of an extended family member. Extended family includes grandparents, aunts and uncles, and other more distant relatives.

**Employer Note:** *Some states require employers to provide unpaid leave for employees to deal with the death of a family member as part of the state's family and medical leave law. It would therefore be prudent to consult with an employment law attorney who knows your state laws to review the company's bereavement leave policy to ensure full compliance with applicable state law.*

## Military Service Leave

Employees serving in the uniformed services, including the Army, Navy, Marine Corps, Air Force, Coast Guard and Public Health Service commissioned corps, as well as the reserve components of each of these services, may take unpaid military leave, as needed, to enable them to fulfill their obligations as servicemembers. Servicemembers must provide advance written or verbal notice to the Company for all military duty, unless giving notice is impossible, unreasonable, or precluded by military necessity. Employees should provide notice as far in advance as is reasonable under the circumstances. In addition, employees may, but are not required to, use accrued vacation or personal leave while performing military duty.

**Employer Note:** *The federal Uniformed Services Employment and Reemployment Rights Act (USERRA) prohibits employment discrimination against a person on the basis of past military service, current military obligations, or intent to serve. USERRA provides that returning servicemembers are to be reemployed in the job they would have attained had they not been absent for military service, with the same seniority, status and pay, as well as other rights and benefits determined by seniority. Health and pension plan coverage for servicemembers is also provided for by USERRA. Many states have enacted their own mandatory military leave laws, so it is important to consult your state law to learn all of your obligations in relation to military leave.*



## **Family and Medical Leave**

The federal Family and Medical Leave Act (FMLA) allows certain employees to take up to 12 weeks of unpaid leave per year for the serious health condition of the employee or an immediate family member, or for childbirth or adoption. An employee who assumes the role of caring for a child is also entitled to receive parental rights to family leave, regardless of the legal or biological relationship. Either day-to-day care or financial support may establish a parental relationship when the employee intends to assume the responsibilities of a parent with regard to a child. The Human Resources Department will guide you in completing appropriate forms for the leave. Any paid leave that you have accrued may be counted as part of your FMLA leave.

To take FMLA leave, you must provide the Company with appropriate notice. If you know in advance that you will need FMLA leave, you must notify your supervisor or the HR Department at least 30 days in advance. If you learn of your need for leave less than 30 days in advance, you must give notice as soon as you can (generally either the day you learn of the need or the next work day). When you need FMLA leave unexpectedly (for example, if a family member is injured in an accident), you must inform your supervisor or the HR Department as soon as you can.<sup>16</sup>

**Employer Note:** *The federal FMLA generally applies to employers of 50 or more employees in 20 or more workweeks in the current or preceding calendar year. Employees must also meet certain requirements before they are eligible for family and medical leave, such as a minimum number of hours worked. If an FMLA-covered employer has any eligible employees, it must provide a general notice to each employee explaining rights and responsibilities under the FMLA by including the notice in employee handbooks or other written guidance to employees concerning employee benefits or leave rights, if such written materials exist, or by distributing a copy of the general notice to each new employee upon hiring. Employers may use the [HYPERLINK "http://www.dol.gov/whd/regs/compliance/posters/fmlaen.pdf"](http://www.dol.gov/whd/regs/compliance/posters/fmlaen.pdf) notice prepared by the U.S. Department of Labor to meet this requirement.*

*Several states have their own family and medical leave statutes, so you should be sure to check your state law, as the requirements can vary (including with respect to smaller employers and required notices to inform employees of leave rights). Some states also have disability insurance programs or specific pregnancy leave laws. For example, New Jersey and California have special leave laws as well as disability insurance programs.*

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<sup>16</sup> Employees must provide sufficient information for an employer to determine if the leave may qualify for FMLA and the anticipated timing and duration of the leave. While calling in “sick” without providing more information is not alone sufficient to trigger an employer’s obligations under the FMLA, in all cases the employer should inquire further of the employee if it is necessary to have more information about whether FMLA leave is being sought, and to obtain the necessary details of the leave to be taken. Keep in mind that the employee need not expressly assert rights under the FMLA or even mention the FMLA the first time leave is sought for an FMLA-qualifying reason. (When an employee seeks leave for an FMLA-qualifying reason for which the employer has previously provided FMLA leave, the employee must specifically reference the qualifying reason for leave or the need for FMLA leave.)



## **Military Caregiver Leave**

The FMLA also allows an eligible employee who is the spouse, son, daughter, parent or next of kin of a member of the Armed Forces, National Guard or Reserves or of certain recent veterans with a serious illness or injury, up to 26 weeks of unpaid leave within a 12-month period to care for the injured or ill servicemember or veteran. A “serious illness or injury” is generally an injury or illness incurred by the covered servicemember in the line of duty on active duty (or that existed before the beginning of the member’s active duty and was aggravated by service in the line of duty on active duty) that may render the servicemember medically unfit to perform the duties of the member’s office, grade, rank, or rating.

An eligible employee is entitled to a combined total of 26 workweeks of military caregiver leave and leave for any other FMLA-qualifying reason in a single 12-month period, provided that the employee may not take more than 12 weeks of leave for any other FMLA-qualifying reason during this period. (For example, in the single 12-month period an employee could take 12 weeks of FMLA leave to care for a newborn child and 14 weeks of military caregiver leave, but could not take 16 weeks of leave to care for a newborn child and 10 weeks of military caregiver leave.) Generally, you must give the Company at least 30 days’ notice before the commencement of any military caregiver leave.

## **Qualifying (Military) Exigency Leave**

The FMLA also provides for up to 12 weeks of unpaid leave within a 12-month period when an eligible employee’s spouse, son, daughter, or parent is on (or has been notified of an impending call to) “covered active duty” in the Armed Forces. (“Covered active duty” for members of a regular component of the Armed Forces means duty during deployment of the member with the Armed Forces to a foreign country. “Covered active duty” for members of the U.S. National Guard and Reserves means duty during deployment of the member with the Armed Forces to a foreign country under a call or order to active duty in a contingency operation.) The leave may also be extended to the family members of certain retired military. This leave may be used to take care of such things as child care or financial and legal arrangements necessitated by the deployment of the family member.

## ***Break Time for Nursing Mothers***

The federal Fair Labor Standards Act (FLSA) allows employees to take reasonable, unpaid break time to express breast milk as needed for up to one (1) year after the birth of a child. The Company will provide a place for the employee to express breast milk, other than a bathroom, that is shielded from view and free from intrusion from co-workers and the public. Employees will not be discharged or in any other manner discriminated against in exercising their rights under this policy.

**Employer Note:** State laws may provide greater protections to nursing mothers (for example, by providing compensated break time or by providing break time beyond one year after the child's birth). Be sure to check your state law or consult with knowledgeable employment counsel to determine your obligations.

## **Civic Duty Leave**

### **Jury Duty**

The Company encourages employees to fulfill their civic duties. To that end, employees will be allowed leave to serve on a jury, if summoned. We request that you bring in a copy of your summons notice as soon as you receive it, so that we may keep it on file. If you are called during a particularly busy period, we may ask you to request a postponement. The Company will provide additional documentation in this regard, if necessary, to obtain such postponement.

Jury duty can last from a portion of a single day to several months or more. During this time you will be considered on a leave of absence and will be entitled to continue to participate in insurance and other benefits as if you were working. While serving on jury duty, you are expected to call in to your supervisor periodically to keep him or her apprised of your status.

The Company will compensate full-time employees for the difference between jury duty compensation and your current daily pay for the first [five (5) days] of jury service (or in accordance with applicable law, if different). If additional time is required, it will be granted, but without pay.

**Employer Notes:** Most states require employers to allow employees to take jury duty leave without being terminated, and some states require paid leave. Be sure to review your state's jury duty leave law for applicable requirements.

*Remember that an employer generally cannot make deductions for absences of an exempt employee due to jury duty or serving as a witness, but may offset any amount received by an exempt employee as jury or witness fees for a particular week against the salary due for that particular week. The employee need not be paid for any workweek during which he or she performs no work.*

### **Appearance as a Witness**

An employee called to appear as a witness will be permitted time off to appear, but without pay. Employees will be permitted to use accrued vacation time when appearing as witnesses.

## Voting

The Company encourages all employees to vote. Most polling facilities for elections for public office are scheduled to accommodate working voters. The Company, therefore, requests that employees schedule their voting for before or after their work shift. An employee who expects a conflict, however, should notify his or her supervisor, in advance, so that schedules can be adjusted if necessary.

***Employer Note:*** Be sure to review your state's laws on voting leave for applicable requirements. State laws requiring voting leave vary considerably in terms of an employer's obligations, including with respect to the amount of leave time required, whether the leave must be paid, and what notices, if any, an employer must provide to its employees.

## Part 6 – Miscellaneous

### ***Leaving the Company***

If you wish to resign your employment with the Company, you are requested to notify your manager of your anticipated departure date at least two (2) weeks in advance.<sup>17</sup> This notice should be in the form of a written note or letter.

You will be paid for accrued but unused vacation time as part of your last paycheck.

***Employer Note:*** *Some states, like California, have very specific requirements with respect to including payment for earned and/or unearned time off benefits in an employee's final paycheck. Generally speaking, an employer who has agreed, either in a written or oral policy or by practice, to include payment for an employee's accrued but unused time off benefits in the final paycheck would be required to do so whether or not a state has enacted a specific statute to that effect. It is prudent to consult with an employment law attorney who knows your state laws to avoid any improper deductions from the final paycheck.*

The Company asks all employees to participate in an exit interview with their immediate supervisor prior to leaving the Company. This provides an opportunity to return parking passes, keys and other property and to tie up any loose ends. You will receive preliminary information at that time regarding continuation coverage and any other continuation of benefits for which you may be eligible.

If you leave the Company in good standing, you may be considered for reemployment at a later date. However, in the case of rehiring, you may be considered a new employee with respect to vacation time, benefits and seniority.

### ***Dispute Resolution***

In a perfect world, every employment relationship would be smooth and harmonious. However, there are, unfortunately, times when employees and employers disagree. These disagreements often arise in the context of involuntary employment termination, but there may be disagreements regarding the right to a promotion, expense reimbursement, or a parade of other things.

All employees of the Company agree to first seek to mediate any dispute with the Company with a mediator from the American Arbitration Association or similar organization trained and experienced in employment disputes.<sup>18</sup> If mediation is not successful, both the Company and the employee agree to submit their dispute to arbitration. The arbitrator will be chosen from a panel

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<sup>17</sup> You may wish to require managers and other higher-level employees to give 30 days' notice.

<sup>18</sup> You may wish to require the employee to split the cost of mediation. The problem is that mediation can be expensive and for lower-paid employees, such a policy effectively disenfranchises them. The employee must, of course, pay for his or her own counsel.

presented by the American Arbitration Association or such other organization as is acceptable to both parties. The cost of the arbitrator will be split between the Company and the employee. Each party will be responsible for its own attorney or other related fees. Both the Company and the employee acknowledge that by agreeing to arbitrate each gives up its right to litigate their employment dispute in court or to submit it to a jury. The decision of the arbitrator is final and binding.

However, either party may seek to have a court of competent jurisdiction enforce an arbitration award. In addition, the Company retains the right to seek injunctive or other relief in the case of misappropriation of trade secrets or other confidential information, or any other action by an employee which might reasonably be expected to lead to irreparable harm to the Company.