



Creating an Effective Employee Handbook for Small Businesses

A comprehensive employee handbook can be a highly effective way to inform employees about key workplace issues and company policies. Employees who understand the policies are less likely to waste time because they know what the company is committed to and what's expected of them.

Key elements to consider including in an employee handbook

- The Fair Labor Standards Act (FLSA)
- Title VII of the Civil Rights Act of 1964
- Severe weather or natural disasters
- Infectious disease outbreaks and flu season
- Americans with Disabilities Act (ADA)
- The Occupational Safety and Health Administration (OSHA)
- Bereavement leave

An employee handbook should be written in compliance with these federal workplace laws, as well as applicable state and local laws, to help mitigate exposure to future legal action.

Employee handbook best practices

- ✓ Understand that developing a handbook requires hard work and due diligence.
- ✓ Be sure to have an employee handbook legally reviewed at least once a year.
- ✓ Don't include policies that aren't applicable to the business structure or culture. Also, if a business owner is not sure they can implement certain policies, they should not be included.
- ✓ Business owners expect employees to know and follow the policies in the handbook; therefore, managers and supervisors should be expected to read it and implement the policies consistently as written.

What to avoid when creating an employee handbook

- ✗ Choosing a "one-size-fits-all" template.
- ✗ Failure to include at-will disclaimers.
- ✗ Including policies that are either too specific or too broad.
- ✗ Not explaining policies in reader-friendly language.
- ✗ Failing to include an anti-harassment policy.
- ✗ Overlooking a policy on company rules regarding the use of computers and social media.
- ✗ Not engaging a labor and employment attorney to review the handbook.

Once an employee handbook is in place, upholding the policies outlined in it is crucial.

Paychex provides an online handbook builder tool that identifies policies for inclusion based on where your clients' employees work and their employee count. Contact your Paychex Rep to learn more today.

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