

Customizable Employee Handbook Template

Included here is a customizable employee handbook template that is provided by the Small Business Administration at <http://www.sba.gov/content/employee-handbooks>. This template provides suggestions and examples for an employee handbook and can be customized to fit your company's policies as well as federal, state and local laws.

- *The comments in **[brackets]** are prompts for you to customize the Employee Manual for your company. As you insert your company's information, delete the **brackets**.*
- *The italicized comments in **(parentheses)** are instructions for you while customizing the document. Delete the italicized **comments and parentheses** before distributing the Manual to your employees.*
- *These instructions are not intended to be a part of your customized Employee Manual, but please include them when you e-mail this Sample Employee Manual document to an associate or friend for use in their company. However, you should delete this paragraph and the text above before printing your customized Employee Manual.*

The information in this handbook was taken from the Small Business Administration website at <http://www.sba.gov/content/employee-handbooks>.

[Company Name]

EMPLOYEE MANUAL

Revised [\[insert date here\]](#)

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SECTION 1

INTRODUCTION

This Manual is designed to acquaint you with [Company Name] and provide you with information about working conditions, benefits, and policies affecting your employment.

The information contained in this Manual applies to all employees of [Company Name]. Following the policies described in this Manual is considered a condition of continued employment. However, nothing in this Manual alters an employee's status. The contents of this Manual shall not constitute nor be construed as a promise of employment or as a contract between the Company and any of its employees. The Manual is a summary of our policies, which are presented here only as a matter of information.

You are responsible for reading, understanding, and complying with the provisions of this Manual. Our objective is to provide you with a work environment that is constructive to both personal and professional growth.

1.1 CHANGES IN POLICY

This Manual supersedes all previous employee manuals and memos that may have been issued from time to time on subjects covered in this Manual.

However, since our business and our organization are subject to change, we reserve the right to interpret, change, suspend, cancel, or dispute with or without notice all or any part of our policies, procedures, and benefits at any time. We will notify all employees of these changes. Changes will be effective on the dates determined by the Company, and after those dates all superseded policies will be null.

No individual supervisor or manager has the authority to change policies at any time. If you are uncertain about any policy or procedure, speak with your direct supervisor.

1.2 EMPLOYMENT APPLICATIONS

We rely upon the accuracy of information contained in the employment application and the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

1.3 EMPLOYMENT RELATIONSHIP

You enter into employment voluntarily, and you are free to resign at any time for any reason or no reason. Similarly, [Company Name] is free to conclude its relationship with any employee at any time for any reason or no reason. Following the probationary period, employees are required to follow the Employment Termination Policy (See Section 3.13).

SECTION 2

DEFINITIONS OF EMPLOYEES STATUS

“EMPLOYEES” DEFINED

An “employee” of [Company Name] is a person who regularly works for [Company Name] on a wage or salary basis. “Employees” may include exempt, non-exempt, regular full-time, regular part-time, and temporary persons, and others employed with the Company who are subject to the control and direction of [Company Name] in the performance of their duties.

EXEMPT

Employees whose positions meet specific criteria established by the Fair Labor Standards Act (FLSA) and who are exempt from overtime pay requirements.

NON-EXEMPT

Employees whose positions do not meet FLSA criteria and who are paid one and one-half their regular rate of pay for hours worked in excess of 40 hours per week.

REGULAR FULL-TIME

Employees who have completed the [90-day] probationary period and who are regularly scheduled to work [35] or more hours per week. Generally, they are eligible for the Company’s benefit package, subject to the terms, conditions, and limitations of each benefit program.

REGULAR PART-TIME

Employees who have completed the [90-day] probationary period and who are regularly scheduled to work less than [35] hours per week. [Regular part-time employees are eligible for some benefits sponsored by the Company, subject to the terms, conditions, and limitations of each benefit program.]

TEMPORARY (FULL-TIME or PART-TIME)

Those whose performance is being evaluated to determine whether further employment in a specific position or with the Company is appropriate or individuals who are hired as interim replacements to assist in the completion of a specific project or for vacation relief. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status until they are notified of a change. They are not eligible for any of the Company’s benefit programs.

PROBATIONARY PERIOD FOR NEW EMPLOYEES

A new employee whose performance is being evaluated to determine whether further employment in a specific position or with [\[Company Name\]](#) is appropriate. When an employee completes the probationary period, the employee will be notified of his/her new status with [\[Company Name\]](#).

SECTION 3

EMPLOYMENT POLICIES

3.1 NON-DISCRIMINATION

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at [Company Name] will be based on merit, qualifications, and abilities. [Company Name] does not discriminate in employment opportunities or practices because of race, color, religion, sex, national origin, age or disability.

[Company Name] will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Employees with questions or concerns about discrimination in the workplace are encouraged to bring these issues to the attention of their supervisor. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in unlawful discrimination will be subject to disciplinary action, including termination of employment.

3.2 NON-DISCLOSURE/CONFIDENTIALITY

The protection of confidential business information and trade secrets is vital to the interests and success of [Company Name]. Such confidential information includes, but is not limited to, the following examples:

- Compensation data,
- Financial information,
- Marketing strategies,
- Pending projects and proposals,
- Proprietary production processes,
- Personnel/Payroll records, and
- Conversations between any persons associated with the company.

All employees are required to sign a non-disclosure agreement as a condition of employment.

Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

3.3 NEW EMPLOYEE ORIENTATION

Orientation is a formal welcoming process that is designed to make the new employee feel comfortable, informed about the company, and prepared for their position. New employee orientation is conducted by a Human Resources representative, and includes an overview of the company history, an explanation of the company core values, vision, and mission; and company goals and objectives. In addition, the new employee will be given a overview of benefits, tax, and legal issues, and complete any necessary paperwork.

Employees are presented with all codes, keys, and procedures needed to navigate within the workplace. The new employee's supervisor then introduces the new hire to staff throughout the company, reviews their job description and scope of position, explains the company's evaluation procedures, and helps the new employee get started on specific functions.

3.4 PROBATIONARY PERIOD FOR NEW EMPLOYEES

The probationary period for regular full-time and regular part-time employees lasts up to [90 days] from date of hire. During this time, employees have the opportunity to evaluate our Company as a place to work and management has its first opportunity to evaluate the employee. During this introductory period, both the employee and the Company have the right to terminate employment without advance notice.

Upon satisfactory completion of the probationary period, a [90-day] review will be given and benefits will begin as appropriate. All employees, regardless of classification or length of service, are expected to meet and maintain Company standards for job performance and behavior (See Section 4, Standards of Conduct).

3.5 OFFICE HOURS

[Company Name] office is open for business from [XX a.m. to XX p.m. Day of Week through Day of Week], except for Holidays (See Section 6.7, Holidays).

The standard workweek is [40] hours of work (see Section 5.3, Overtime). In the computation of various employee benefits, the employee workweek is considered to begin on [Sunday (starting at 12:01 a.m.) through Saturday (ending at 12:00 a.m.)], unless a supervisor makes prior other arrangement with the employee.

3.6 LUNCH PERIODS

Employees are allowed a one-hour lunch break. Lunch breaks generally are taken between the hours of [11 a.m. and 2:00 p.m.] on a staggered schedule so that your absence does not create a problem for co-workers or clients.

3.7 BREAK PERIODS

[Company Name does not provide for employees to break during production activities except for the above outlined lunch period.]

(Or write:)

[Company Name provides for employees to break during production activities at the following times: *fill in appropriate times here.*]

If employees have unexpected personal business to take care of, they must notify their direct supervisor to discuss time away from work and make provisions as necessary. Personal business should be conducted on the employee's own time.

Employees who do not adhere to the break policy will be subject to disciplinary action, including termination.

3.8 PERSONNEL FILES

Employee personnel files include the following: [job application, job description, résumé, records of participation in training events, salary history, records of disciplinary action and documents related to employee performance reviews, coaching, and mentoring.]

Personnel files are the property of [Company Name], and access to the information is restricted. Management personnel of [Company Name] who have a legitimate reason to review the file are allowed to do so.

Employees who wish to review their own file should contact their supervisor [or Human Resources Representative]. With reasonable advance notice, the employee may review his/her personnel file in Company's office and in the presence of their supervisor [or Human Resources Representative].

3.9 PERSONNEL DATA CHANGES

It is the responsibility of each employee to promptly notify their supervisor or [Company Name's Human Resources Department] of any changes in personnel data such as:

- Mailing address,
- Telephone numbers,
- Name and number of dependents, and
- Individuals to be contacted in the event of an emergency.

An employee's personnel data should be accurate and current at all times.

3.10 INCLEMENT WEATHER/EMERGENCY CLOSINGS

At times, emergencies such as severe weather, fires, or power failures can disrupt company operations. The decision to close the office will be made by the [\[Executive Staff\]](#).

When the decision is made to close the office, employees will receive official notification from their supervisors.

Time off from scheduled work due to emergency closings will be unpaid for all non-exempt employees. However, if employees would like to be paid, they are permitted to use vacation time if it is available to them.

3.11 EMPLOYEE PERFORMANCE REVIEW AND PLANNING SESSIONS

Supervisors will conduct performance reviews and planning sessions with all regular full-time and regular part-time employees after [\[six months\]](#) of service. Supervisors may conduct informal performance reviews and planning sessions more often if they choose.

Performance reviews and planning sessions are designed for the supervisor and the employee to discuss his/her current job tasks, encourage and recognize attributes, and discuss positive, purposeful approaches for meeting work-related goals. Together, employee and supervisor discuss ways in which the employee can accomplish goals or learn new skills. The planning sessions are designed for the employee and his/her supervisor to make and agree on new goals, skills, and areas for improvement.

[\[Company Name\]](#) directly links wage and salary increases with performance. Your performance review and planning sessions will have a direct effect on any changes in your compensation. For this reason among others, it is important to prepare for these reviews carefully, and participate in them fully.

New employees will be reviewed at the end of their probationary periods (see Section 3.3, Probationary Period for New Employees). After the initial review, the employee will be reviewed according to the regular [\[semi-annual\]](#) schedule.

3.12 OUTSIDE EMPLOYMENT

Employees may hold outside jobs in non-related businesses or professions as long as the employee meets the performance standards of their job description with [\[Company Name\]](#). Unless an alternative work schedule has been approved by [\[Company Name\]](#), employees will be subject to the company's scheduling demands, regardless of any existing outside work assignments.

[Company Name]'s office space, equipment, and materials are not to be used for outside employment.

3.13 CORRECTIVE ACTION

[Company Name] holds each of its employees to certain work rules and standards of conduct (see Section 4). When an employee deviates from these rules and standards, [Company Name] expects the employee's supervisor to take corrective action.

Corrective action at [Company Name] is progressive. That is, the action taken in response to a rule infraction or violation of standards typically follows a pattern increasing in seriousness until the infraction or violation is corrected.

The usual sequence of corrective actions includes an oral warning, a written warning, probation, and finally termination of employment. In deciding which initial corrective action would be appropriate, a supervisor will consider the seriousness of the infraction, the circumstances surrounding the matter, and the employee's previous record.

Though committed to a progressive approach to corrective action, [Company Name] considers certain rule infractions and violations of standards as grounds for immediate termination of employment. These include but are not limited to: theft in any form, insubordinate behavior, vandalism or destruction of company property, being on company property during non-business hours, the use of company equipment and/or company vehicles without prior authorization by [Executive Staff], untruthfulness about personal work history, skills, or training, divulging Company business practices, and misrepresentations of [Company Name] to a customer, a prospective customer, the general public, or an employee.

3.14 EMPLOYMENT TERMINATION

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are a few examples of some of the most common circumstances under which employment is terminated:

- **Resignation** – voluntary employment termination initiated by an employee.
- **Termination** – involuntary employment termination initiated by [Company Name].
- **Layoff** – involuntary employment termination initiated by [Company Name] for non-disciplinary reasons.

When a non-exempt employee intends to terminate his/her employment with [Company Name], he/she shall give [Company Name] at least [two (2) weeks] written notice. Exempt employees shall give at least [four (4) weeks] written notice.

Since employment with [Company Name] is based on mutual consent, both the employee and [Company Name] have the right to terminate employment at will, with or without cause during the Introductory/Probationary Period for New Employees (See Section 3.3, Introductory/Probationary Period for New Employees).

Any employee who terminates employment with [Company Name] shall return all files, records, keys, and any other materials that are property of [Company Name]. No final settlement of an employee's pay will be made until all items are returned in appropriate condition. The cost of replacing non-returned items will be deducted from the employee's final paycheck. Furthermore, any outstanding financial obligations owed to [Company Name] will also be deducted from the employee's final check.

Employee's benefits will be affected by employment termination in the following manner. All accrued vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense (See Section 5, Benefits) if the employee elects to do so. The employee will be notified of the benefits that may be continued and of the terms, conditions, and limitations.

3.15 SAFETY

[Company Name] provides information to employees about workplace safety and health issues through regular internal communication such as:

- [Training sessions]
- [Team meetings]
- [Bulletin board postings]
- [Memorandums]
- [Other written communications]

Each employee is expected to obey safety rules and exercise caution and common sense in all work activities. Employees must immediately report any unsafe conditions to their supervisor. Employees who violate safety standards, cause hazardous or dangerous situations, or fail to report, or where appropriate, remedy such situations, may be subject to disciplinary action including termination of employment.

In the case of an accident that results in injury, regardless of how insignificant the injury may appear, employees should notify their supervisor (See Section 3.16, Employee Requiring Medical Attention).

3.16 HEALTH-RELATED ISSUES

Employees who become aware of any health-related issue, including pregnancy, should notify their supervisor [and Human Resources Representative] of health status. This policy has been instituted strictly to protect the employee.

A written “permission to work” from the employee’s doctor is required at the time or shortly after notice has been given. The doctor’s note should specify whether the employee is able to perform regular duties as outlined in his/her job description.

A leave of absence may be granted on a case-by-case basis. If the need arises for a leave of absence, employees should notify their supervisor [\[and Human Resources Representative\]](#).

3.17 EMPLOYEE REQUIRING MEDICAL ATTENTION

In the event an employee requires medical attention, whether injured or becoming ill while at work, the employee’s personal physician must be notified immediately. If it is necessary for the employee to be seen by the doctor or go to the hospital, a family member will be called to transport the employee to the appropriate facility. If an emergency arises requiring Emergency Medical Services to evaluate the injury/illness of an employee on-site, the employee will be responsible for any transportation charges. Furthermore, [\[Company Name\]](#)’s employees will not be responsible for transportation of another employee due to liabilities that may occur.

A physician’s “return to work” notice may be required.

3.18 BUILDING SECURITY

All employees who are issued keys to the office are responsible for their safekeeping. These employees will sign a Building Key Disbursement form upon receiving the key. The last employee, or a designated employee, who leaves the office at the end of the business day assumes the responsibility to ensure that all doors are securely locked, the alarm system is armed, thermostats are set on appropriate evening and/or weekend setting, and all appliances and lights are turned off with exception of the lights normally left on for security purposes. Employees are not allowed on Company property after hours without prior authorization from the [\[Executive Staff\]](#).

3.19 INSURANCE ON PERSONAL EFFECTS

All employees should be sure that their own personal insurance policies cover the loss of anything occasionally left at the office. [\[Company Name\]](#) assumes no risk for any loss or damage to personal property.

3.20 SUPPLIES; EXPENDITURES; OBLIGATING THE COMPANY

Only authorized persons may purchase supplies in the name of [\[Company Name\]](#). No employee whose regular duties do not include purchasing shall incur any expense on behalf of [\[Company Name\]](#) or bind [\[Company Name\]](#) by any promise or representation without written approval.

3.21 EXPENSE REIMBURSEMENT

Expenses incurred by an employee must have prior approval by a supervisor. Reimbursements under [\[\\$25.00\]](#) will be included in the employee’s next regular paycheck. An example of such an expense would include mileage. If the amount is more than [\[\\$25.00\]](#), the reimbursement request

will be processed like an invoice. All completed reimbursement request forms should be turned in to [\[Accounts Payable/Payroll Department\]](#).

3.22 PARKING

Employees must park their cars in areas indicated and provided by the Company.

3.23 VISITORS IN THE WORKPLACE

To provide for the safety and security of employees, visitors, and the facilities at [\[Company Name\]](#), only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps ensure security, decreases insurance liability, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

[\[All visitors must enter through the main reception area, sign-in, and sign-out at the front desk and receive a 'Visitor' badge to wear while on premises. Authorized visitors will be escorted to their destination and must be accompanied by an employee at all times.\]](#)

3.24 IMMIGRATION LAW COMPLIANCE

[\[Company Name\]](#) employs only United States citizens and those non-U.S. citizens authorized to work in the United States in compliance with the Immigration Reform and Control Act of 1986.

Each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with [\[Company Name\]](#) within the past three years or if their previous I-9 is no longer retained or valid.

SECTION 4

STANDARDS OF CONDUCT

The work rules and standards of conduct for [Company Name] are important, and the Company regards them seriously. All employees are urged to become familiar with these rules and standards. In addition, employees are expected to follow the rules and standards faithfully in doing their own jobs and conducting the Company's business. Please note that any employee who deviates from these rules and standards will be subject to corrective action, up to and including termination of employment (see Section 3.12, Corrective Action).

While not intended to list all the forms of behavior that are considered unacceptable in the workplace, the following are examples of rule infractions or misconduct that may result in disciplinary action, including termination of employment.

- Theft or inappropriate removal or possession of property;
- Falsification of timekeeping records (See Section 5.2, Timekeeping);
- Working under the influence of alcohol or illegal drugs (See Section 4.6, Substance Abuse);
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace (See Section 4.6, Substance Abuse);
- Fighting or threatening violence in the workplace;
- Boisterous or disruptive activity in the workplace;
- Negligence or improper conduct leading to damage of company-owned or customer-owned property;
- Insubordination or other disrespectful conduct;
- Violation of safety or health rules;
- Smoking in the workplace;
- Sexual or other unlawful or unwelcome harassment (See Section 4.3, Harassment, Including Sexual Harassment);
- Excessive absenteeism or any absence without notice (See also, Section 4.1 Attendance/Punctuality and 4.2, Absence without Notice);
- Unauthorized use of telephones, or other company-owned equipment (See Section 4.4, Telephone Use);
- Using company equipment for purposes other than business (i.e. playing games on computers or personal Internet usage);
- Unauthorized disclosure of business "secrets" or confidential information;
- Violation of personnel policies; and
- Unsatisfactory performance or conduct.

4.1 ATTENDANCE/PUNCTUALITY

The Company expects that every employee will be regular and punctual in attendance. This means being in the office, ready to work, at their starting time each day. Absenteeism and tardiness places a burden on other employees and on the Company.

If you are unable to report for work for any reason, notify your supervisor before regular starting time. You are responsible for speaking directly with your supervisor about your absence. It is not acceptable to leave a message on a supervisor's voice mail, except in extreme emergencies. In the case of leaving a voice-mail message, a follow-up call must be made later that day. The company phone number is [(XXX) XXX-XXXX].

Should undue tardiness become apparent, disciplinary action may be required.

If there comes a time when you see that you will need to work some hours other than those that make up your usual work week, notify your supervisor at least [seven working days] in advance. Each request for special work hours will be considered separately, in light of the employee's needs and the needs of the Company. Such requests may or may not be granted.

4.2 ABSENCE WITHOUT NOTICE

When you are unable to work owing to illness or an accident, please notify your supervisor. This will allow the Company to arrange for temporary coverage of your duties, and helps other employees to continue work in your absence. If you do not report for work and the Company is not notified of your status, it will be assumed after two consecutive days of absence that you have resigned, and you will be removed from the payroll.

If you become ill while at work or must leave the office for some other reason before the end of the workday, be sure to inform your supervisor of the situation [and check out with the receptionist].

4.3 HARASSMENT, INCLUDING SEXUAL HARASSMENT

[Company Name] is committed to providing a work environment that is free of discrimination and unlawful harassment. Actions, words, jokes, or comments based on an individual's sex, race, ethnicity, age, religion, or any other legally protected characteristic will not be tolerated.

If you believe you have been the victim of harassment, or know of another employee who has, report it immediately. Employees can raise concerns and make reports without fear of reprisal.

Any supervisor who becomes aware of possible harassment should promptly advise their supervisor [or the Human Resources Representative] who will handle the matter in a timely and confidential manner.

4.4 TELEPHONE USE

[Company Name's] telephones are intended for the use of serving our customers and in conducting the Company's business.

Personal usage during business hours is discouraged except for extreme emergencies. All personal telephone calls should be kept brief to avoid congestion on the telephone line.

To respect the rights of all employees and avoid miscommunication in the office, employees must inform family members and friends to limit personal telephone calls during working hours.

If an employee is found to be deviating from this policy, he/she will be subject to disciplinary action (See Section 3.12, Corrective Action).

4.5 PUBLIC IMAGE

A professional appearance is important anytime that you come in contact with customers or potential customers. Employees should be well groomed and dressed appropriately for our business and for their position in particular.

The following items are considered inappropriate working attire for [Company Name]:

- [Open-toed sandals]
- [Spaghetti-strapped shirts]
- [Tank tops or revealing shirts]
- [Short mini skirts]
- [Sheer clothing]
- [T-shirts with inappropriate or offensive gestures or advertising]
- [List other items inappropriate for your company]

[When meeting with a client, the dress code is more business-oriented, including attire such as:]

- [Slacks and dress shirt or blouse]
- [Dress or skirt and blouse]

If management occasionally designates "casual days," appropriate guidelines will be provided to you.

Consult your supervisor if you have any questions about appropriate business attire.

4.6 SUBSTANCE ABUSE

The Company is committed to providing a safe and productive workplace for its employees. In keeping with this commitment, the following rules regarding alcohol and drugs of abuse have been established for all staff members, regardless of rank or position, including both regular and temporary employees. The rules apply during working hours to all employees of the Company while they are on Company premises or elsewhere on Company business.

The manufacture, distribution, possession, sale, or purchase of controlled substances of abuse on Company property is prohibited.

Being under the influence of illegal drugs, alcohol, or substances of abuse on Company property is prohibited.

Working while under the influence of prescription drugs that impair performance is prohibited.

So that there is no question about what these rules signify, please note the following definitions:

Company property: All Company owned or leased property used by employees.

Controlled substance of abuse: Any substance listed in Schedules I-V of Section 202 of the Controlled Substance Act, as amended.

Drug: Any chemical substance that produces physical, mental, emotional, or behavioral change in the user.

Drug paraphernalia: Equipment, a product, or material that is used or intended for use in concealing an illegal drug, or otherwise introducing into the human body an illegal drug or controlled substance.

Illegal drug:

- a. Any drug or derivative thereof whose use, possession, sale, transfer, attempted sale or transfer, manufacture, or storage is illegal or regulated under any federal, state, or local law or regulation.
- b. Any drug, including – but not limited to – a prescription drug, used for any reason other than that prescribed by a physician.
- c. Inhalants used illegally.

Under the influence: A state of not having the normal use of mental or physical faculties resulting from the voluntary introduction into the body of an alcoholic beverage, drug, or substance of abuse.

Consistent with the rules listed above, any of the following actions constitutes a violation of the Company's policy on drugs and may subject an employee to disciplinary action, up to and including immediate termination.

Using, selling, purchasing, transferring, manufacturing, or storing an illegal drug or drug paraphernalia, or attempting to or assisting another to do so, while in the course of employment.

Working or reporting to work, conducting Company business or being on Company property while under the influence of an illegal drug or alcohol, or in an impaired condition.

4.7 TOBACCO PRODUCTS

[The use of tobacco products is not permitted anywhere on the Company's premises.]

(Or write:) [The use of tobacco products is not permitted anywhere on the Company's premises except in authorized and designated locations. The designated smoking areas are located *(insert*

specific locations here). Employees must follow all rules posted in designated smoking areas and adhere to all policies associated with this policy (See Sections 3.6, Break Periods and 3.14, Safety).]

4.8 INTERNET USE

[Company Name] employees are allowed use of the Internet and e-mail when necessary to serve our customers and conduct the Company's business.

Employees may use the Internet when appropriate to access information needed to conduct business of the Company. Employees may use e-mail when appropriate for Company business correspondence.

Use of the Internet must not disrupt operation of the company computer network. Use of the Internet must not interfere with an employee's productivity. Employees are responsible for using the Internet in a manner that is ethical and lawful.

Internet messages are public and not private. [Company Name] reserves the right to access and monitor all files and messages on its systems.

SECTION 5

WAGE AND SALARY POLICIES

5.1 WAGE OR SALARY INCREASES

[Each employee's hourly wage or annual salary will be reviewed at least once each year. The employee's review date will usually be conducted on or about the anniversary date of employment or the date of the previous compensation review. Such reviews may be conducted more frequently for a newly created position, or based on a recent promotion.]

[Increases will be determined on the basis of performance, adherence to company policies and procedures, and ability to meet or exceed duties per job description and achieve performance goals (See Section 3.10, Performance Review/Planning Sessions).]

Although the Company's salary ranges and hourly wage schedules will be adjusted on an ongoing basis, [Company Name] does not grant "cost of living" increases. Performance is the key to wage increases in the Company.

5.2 TIMEKEEPING

(If you use a time clock, include the following.)

Accurately recording time worked is the responsibility of every non-exempt employee. Time worked is the time actually spent on a job(s) performing assigned duties. [Each client job is assigned a job number as posted in the Employee Message Center. Employees are responsible for accurately documenting their time spent on individual jobs.]

[Company Name] does not pay for extended breaks or time spent on personal matters.

The time clock is a legal instrument. Altering, falsifying, tampering with time records, or recording time on another team member's time record will result in disciplinary action, including termination of employment.

Authorized personnel will review time records each week. Any changes to an employee's time record must be approved by his/her supervisor [or appropriate person]. Questions regarding the timekeeping system or time cards should be directed to the [appropriate person].

Time Cards – Non-exempt employees will be issued a time card on their first day of employment. The employee will be given thorough instructions on usage and instructions on what to do should a problem occur.

[Employees will be financially responsible for replacing the card if it is lost or stolen. Replacement cards are \$X.XX.]

5.3 OVERTIME

[Company Name] is open for business [XX] hours per week. Overtime compensation is paid to non-exempt employees in accordance with federal and state wage and hour restrictions. Overtime is payable for all hours worked over [40] per week at a rate of one and one-half times the non-exempt employee's regular hourly rate. Time off on personal time, holidays, or any leave of absence will not be considered hours worked when calculating overtime. In addition, vacation time does not constitute hours worked.

All overtime work performed by an hourly employee must receive the [supervisor's] prior authorization. Overtime worked without prior authorization from the [supervisor] may result in disciplinary action. [The supervisor's] signature on a timesheet authorizes pay for overtime hours worked.

5.4 PAYDAYS

All employees are paid [insert appropriate time period here, i.e., weekly, monthly, etc.]. In the event that a regularly scheduled payday falls on a weekend or holiday, employees will receive pay [on the next day of operation].

If a regular payday falls during an employee's vacation, the employee's paycheck will be available upon his/her return from vacation.

(Modify the following paragraph as appropriate for your company.)

[If the employee is not at work when paychecks are distributed and does not receive the paycheck, the paycheck will be kept at the reception desk through the rest of the payday. If an employee is unable to pick up his or her check on payday, he or she will need to see the company Bookkeeper or Human Resources Representative].

Paychecks will not, under any circumstances, be given to any person other than the employee without written authorization. Paychecks may also be mailed to the employee's address or deposited directly into an employee's bank account upon request.

SECTION 6

BENEFITS AND SERVICES

[Company Name] offers a benefits program for its [regular full-time] and [regular part-time] employees. However, the existence of these programs does not signify that an employee will necessarily be employed for the required time necessary to qualify for the benefits included in and administered through these programs.

6.1 GROUP INSURANCE

[Company Name offers the following health and life insurance programs for REGULAR FULL-TIME employees (as determined by the carrier of the policies).]

HEALTH INSURANCE

(Include the following as appropriate)

- [when coverage begins]
- [percentage of premium your company pays]
- [percentage of premium employee pays]
- [how employee pays premium, i.e., payroll deduction]

LIFE INSURANCE

(Briefly describe your company's life insurance policy here.)

The employee's portion of the premium deduction for health insurance begins on the pay period prior to coverage start date.

This Manual does not contain the complete terms and/or conditions of any of the Company's current insurance benefit plans. It is intended only to provide general explanations. [If there is ever any conflict between the Manual and any documents issued by one of the Company's insurance carriers, the carrier's guideline regulations will be regarded as authoritative.]

6.2 COBRA BENEFITS

[The Federal Consolidated Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under the [Company Name]'s health plan when a "qualifying event" would normally result in the loss of eligibility.]

Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours or leave of absence, divorce or legal separation and a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at [Company Name]'s group rates plus an administration fee. [Company Name] provides each eligible employee with a

written notice describing rights granted under COBRA when the employee becomes eligible for coverage under [Company Name]'s health insurance plan. The notice contains important information about the employee's rights and obligations.

6.3 SOCIAL SECURITY/MEDICARE

[Company Name] withholds income tax from all employees' earnings and participates in FICA (Social Security) and Medicare withholding and matching programs as required by law.

6.4 SIMPLE IRA

The Simple Investment Retirement Account (Simple IRA) plan offers [Company Name's] employees a unique opportunity for savings, financial growth and favorable tax treatment.

The IRA plan helps contributors save in several ways:

- Gross taxable income is reduced
- [Company Name] makes a matching contribution of the employees' contributions
- Convenience of payroll deduction (amount you choose)

The Simple IRA plan is administered through an Investment firm and managed internally by [Company Name]. [Company Name] makes matching contributions equal to 100% of Elective Deferrals that does not exceed 3% (and not less than 1%) of annual compensation. Each year [Company Name] chooses the percentage of matching funds for the year (between 1% and 3%). For any year, a Contributing Participant's Elective Deferrals shall not exceed \$6,000 (indexed for cost-of-living increases according to law). Please see the [appropriate person] for the current percentage.

Eligibility occurs after [24 months] of continuous employment for [regular full-time] and [regular part-time] employees.

6.5 VACATION

(Modify the following according to your vacation policy. For companies that do not have an official vacation policy, WorkplaceToolbox developed the following formula for determining vacation time earned. The formula corresponds to the following vacation allowances for full-time hourly employees:

- *For years one through two, employees earn one week of vacation per year.*
- *For years three through five, employees earn two weeks of vacation per year.*
- *For years six and over, employees receive three weeks of vacation per year.)*

[Paid vacation is available to regular full-time and regular part-time employees following their first-year anniversary with [Company Name] and is provided based on the following calculations:

During the first 2 (two) years of employment, vacation time will be earned at the rate of .0192 hours per hour worked. Earned vacation can be taken after 1 (one) year continuous employment.

During the 3rd (third) through 5th (fifth) years of employment, paid vacation time will be earned at the rate of .0384 hours per hour worked.

During the 6th (sixth) and following years of employment, vacation time will be earned at the rate of .0586 hours per hour worked.]

NOTES:

The vacation policy applies to all regular full-time [and part-time] employees.

Paid vacation time of regular [part-time] employees will be earned on a fractional basis. Fractional vacation weeks will correspond to the average number of hours worked during the preceding year.

Example: Employee "A" works 25 hours per week for 52 continuous weeks
 $25 \times 52 = 1,300$ hours
Earned vacation equals 1,300 hours worked \times .0192 = 25 hours

Earned vacation leave cannot be taken before it is accrued and approved.

Vacation may be taken in half-day increments of time.

Upon termination, unused earned vacation will be paid in a lump sum in the employee's final paycheck.

A maximum of one week paid vacation may be carried over from one calendar year to the next. However, no more than one week of vacation may be taken at one time, except under extraordinary circumstances. Requests for more than one week of vacation should be in writing at least ninety [90] days prior to the beginning of the requested vacation period.

(The following paragraph is optional depending on the nature of your business.)

[Company Name] encourages all employees to make the most of their vacation time. Regular breaks from daily work make everyone more productive. However, because circumstances do not always permit everyone to take vacation time when it is requested, [Company Name] will offer employees the option of taking the dollar equivalent of their earned vacation hours at their regular hourly rate. Arrangements to take earned vacation pay should be made at least (1) one payroll period in advance.]

6.6 RECORD KEEPING

The [Human Resources Department] maintains vacation days accrued and used. Each employee is responsible for verifying his/her pay stub to make sure the correct amount of hours appear.

6.7 HOLIDAYS

[Company Name] observes the following [non-]paid holidays per year for all [non-exempt] employees:

- [New Year's Day]
- [Memorial Day]
- [Independence Day]
- [Labor Day]
- [Thanksgiving Day]
- [Day after Thanksgiving Day]
- [Christmas Day]

6.8 JURY DUTY/MILITARY LEAVE

Employees will be granted time off to serve on a jury or military leave without pay. However, all regular employees both full-time or part-time will be kept on the active payroll until their civic duties have been completed. A copy of the jury duty summons and all other associated paperwork are required for the personnel file.

6.9 EDUCATIONAL ASSISTANCE

[Company Name] recognizes that the skills and knowledge of its employees are critical to the success of the Company. [Company Name] offers [educational assistance programs, the GED Program and tuition reimbursement]. [Company Name] offers educational assistance programs to encourage personal development improve job-related skills and enhance an employee's ability to compete for reasonably attainable jobs in the Company]

6.10 TRAINING AND PROFESSIONAL DEVELOPMENT

[Company Name] recognizes the value of professional development and personal growth for employees. Therefore, [Company Name] encourages its employees who are interested in continuing education and job specific training to research these further and get approval before signing up for the seminars or courses.]

SECTION 7

EMPLOYEE COMMUNICATIONS

[7.1 STAFF MEETINGS]

Quarterly staff meetings will be held [insert appropriate schedule here]. These informative meetings allow employees to be informed on recent company activities, changes in the workplace and employee recognition.

[7.2 BULLETIN BOARDS]

Bulletin boards placed in [designated areas] provide employees access to important posted information and announcements. The employee is responsible for reading necessary information posted on the bulletin boards.

[7.3 SUGGESTION BOX]

[Company Name] encourages employees who have suggestions that they do not want to offer orally or in person to write them down and leave them [in the suggestion box located in the production center]. If this is done anonymously, every care will be taken to preserve the employee's privacy. [A member of the Executive Staff] checks the box on a regular basis.

[7.4 PROCEDURE FOR HANDLING COMPLAINTS]

Under normal working conditions, employees who have a job-related problem, question or complaint should first discuss it with their immediate supervisor. At this level, employees usually reach the simplest, quickest, and most satisfactory solution. If the employee and supervisor do not solve the problem, [Company Name] encourages employees to contact the [Human Resources Representative.]

I have read and agree to abide by this Employee Manual.

Employee Signature

Date

Witnessed by:

Business Representative

Date