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 **TEXAS Law**
The University of Texas at Austin
School of Law

HANDBOOKS AND EMPLOYMENT POLICIES

Run Things Smoothly, Keep Good Employees, and Minimize the Risk of
Employment Claims and Lawsuits

WILLIAM T. (TOMMY) SIMMONS

Legal Counsel to the Commissioner Representing Employers, Texas Workforce Commission

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Employment Policy Essentials

- All significant policies and procedures should be included in the handbook.
- Every aspect of the employment relationship should be addressed:
 - Employer expectations - Attendance, leave, job requirements, workplace conduct, and drug / alcohol policy
 - Employee expectations - Compensation, benefits, grievance procedures, equal employment opportunity, sexual harassment, and right to privacy
 - Administrative issues - Changes to the handbook, representations, and disclaimers

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Every employment policy should:

- Begin with a brief statement of the purpose and explain why it is needed
- Define the important terms
- Clearly state the company's policy and expectations
- Indicate how the company will respond if an employee violates the policy

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Employer Policies - Golden Rules

- Treat employees according to known rules and standards
- Treat employees consistently
- No exceptions except for a compelling reason
- Employees should not feel surprised by an action
- “Shock and disappointment factor” leads to majority of claims and lawsuits

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Policy Limitations Imposed by the Law

Do not provide for:

- Holding of paychecks
- Minimum wage and overtime violations
- Prohibition of pay / benefit discussions between employees
- Limitations on employees' rights to discuss their working conditions
- Non-competition agreements
- Policies against the filing of unemployment claims
- Reduction in the rate of pay for the final pay period

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No Holding of Paychecks

- An employee's receipt of their basic pay should never be conditioned on whether they have returned company property or documents
- Conditions can be placed on bonuses and commissions, but the primary place to cover those is in a separate, signed compensation agreement, rather than a policy handbook

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"Handbooks/Employment Policies"