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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

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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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First appeared as part of the conference materials for the
2024 Essential Employment Law: A Practical Course in the Basics session
"Handbooks/Employment Policies"