

# The Small-Business Guide to Creating Your Employee<sup>🍁</sup> Handbook

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**Self-Counsel Press**

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International Self-Counsel Press Ltd.

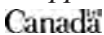
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Self-Counsel Press acknowledges the financial support of the Government of Canada for our publishing activities. 

First edition: 2014; Reprinted: 2018

### Library and Archives Canada Cataloguing in Publication

King, Kimberley, 1976-, author

The small business guide to creating your employee handbook / Kimberley King, BA, CHRP.

ISBN 978-1-77040-201-0 (pbk.)

1. Employee handbooks. I. Title.

HF5549.5.E423K55 2014

658.4'55

C2014-901050-8

**Self-Counsel Press**

*(a division of)*

International Self-Counsel Press Ltd.

Bellingham, WA  
USA

North Vancouver, BC  
Canada



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## Notice to Readers

The information contained in this Guide is not legal advice and should not be relied upon as such.

Laws are constantly changing. Every effort is made to keep this publication as current as possible. However, the author, the publisher, and the vendor of this book make no representations or warranties regarding the outcome or the use to which the information in this book is put and are not assuming any liability for any claims, losses, or damages arising out of the use of this book. Please be sure that you have the most recent edition.

Employment standards and human rights legislation also varies considerably by province. You should have independent legal counsel review your handbook once completed, to ensure that it works for your business requirements and complies with employment standards and human rights laws for the province in which you operate. Not all employees are covered by all employment standards requirements. You should consult a lawyer to find out whether some or all of your employees may be exempt from all or some of such requirements.

Human rights legislation applies to all employers and may impact how any given policy set out in this book may be lawfully implemented.





## Dedication

This book is dedicated to my wonderful family, who encouraged me to write this book, and then gave me the time to do it. In particular I'd like to acknowledge my husband, who gives me so much strength, love, and support every day.



## Introduction

Imagine that it's 11:00 a.m. on a Tuesday and you've been in your office for two hours now. All of your employees are hard at work at their desks; at least you think they are. Lindsey seems to spend a lot of time on her Facebook account thinking you don't notice, and Harold has just emailed you that he needs to take some time off for personal reasons and he wants to know if he can still get paid for those days. Not to mention that Sam hasn't shown up for work yet, even though you thought it was an unspoken rule that everyone starts work at 9:00 a.m. sharp. Now what? You are focused on running your small business, but these "people issues" are starting to interfere.

As your business grows, your employee base will likely grow, and so will the amount of human resource issues that can challenge, frustrate, delight, reward, and exasperate you. You are not a human resources expert or consultant, and your business is not yet at the scale where it needs an in-house human resources professional. And

yet you can and will be presented with these obstacles and issues. So how do you begin to address them?

Creating an employee handbook is a great place to start! A handbook should tell new and existing employees what the basic laws are in Canada governing their pay, vacation, leaves, and health and safety issues. It should outline any policies that are specific to your company, and address policies that govern all workplaces such as bullying, harassment, and discrimination policies. It is a document that will help guide your employees and provide valuable general information about your policies, programs, and expectations. Having fair and consistent policies and programs in one document ensures that both employees and managers are on the same page, and feel like they are being dealt with in a fair and consistent manner. In general, it will help you answer a lot of questions that your employees will have about their employment now, and in the future, and will allow everyone to be more productive at work.

## **1. How to Use This Guide to Create the Right Handbook for Your Company**

Please note that this handbook will not work for everyone. Unionized employees and employees who work for federally regulated employers are governed by different rules and regulations, and this book was not written to encompass those areas; nor can this book be used in the United States or other countries. This handbook is specifically meant for provincially regulated, small- to medium-sized, privately held businesses operating within Canada.

Creating a handbook from scratch can be an overwhelming and time-consuming process, especially if you are unfamiliar with employment standards legislation and human resources best practices. That is why I have created one for you: A basic template to customize to your particular business! Each chapter represents a section that you should include in your handbook, although it by no means covers every area and you should adapt the handbook to your own business requirements. For some policies, I have given you options (A, B, C) to choose from, and I have provided some of the basic language that can be used as well as templates (on the download kit included with this book) to get you started. Once you have completed the templates and formed your own handbook, I recommend having an employment lawyer in the province in which you operate review it to ensure your legal requirements have been met.

The response to almost any employee-related question you might ask an HR professional will likely be, “Has there been a direct conversation with the employee and did you document it?” This means, is there anything written in regards to the employee situation with which you are dealing? Documentation is the cornerstone of the human resources profession and it shows that the employer is doing his or her due diligence when it comes to employees. An employee handbook should be the beginning of that documentation process.

My recommendation in getting started would be to buy a ringed binder for each of your employees so that each person can have a copy of your employee handbook; keep a few extra on hand for any new employees, too. Some companies I know do have their handbook in electronic format only, but you will want to seek the advice of legal counsel in the province(s) in which you conduct business if you decide to put it solely in electronic form, as legally it may not be as acceptable as a printed document.

Then follow along with the sections below, creating your handbook and starting each new policy on its own page. That way, if you need to update only part of the policy at a later date, you do not need to print the whole handbook again, just that one page with the specific policy on it. On the same note, there is no need to number the pages in your handbook, as you will have to update certain policies in the future and numbering pages will mean you will have to reprint the whole document. Instead, use chapters to number your policies (e.g., “1:4” would be the fourth policy in the first chapter). This will make it a much easier process when you go to update and print your policies. I have not numbered the templates for you, as some policies will be included for some companies, but not all; you can customize the templates and number the ones you use to suit your company.

I recommend putting the current date on your handbook, at the bottom of each page, so that you have a reference to the last time it was updated. Ensure you change the date each time you update your handbook. For example, say you decide to update the page on your group benefits, so you remove that one page and print off a new one with the updated information. At the bottom of the page, you would write “Updated: January 2015.” This way your employees will know it’s new information too.

Another suggestion for putting your handbook together is to include a table of contents. After your employees have read through the handbook once, they likely will only go back to the handbook for specific questions on company policies. You will want to make it easy for them to reference and find the material.



# 1

## About This Employee Handbook

It is important that your employees are given an opportunity to read your handbook during paid company time, and that they sign an acknowledgement form stating that they have read and understood it. The reason for this goes back to the importance of documentation in any employee situation.

Misunderstandings and unreasonable employee expectations can arise if there isn't a reliable handbook for new and existing employees to reference. Also, if there is no proof that an employee has read and understood a company's policies, then problems can occur. If an employee has read, understood, and signed the agreement that he or she has read and understood the policies, but continues to defy your dress code policy, then you have already done some of your due diligence toward "performance managing" his or her behaviour. It will be difficult for a person to say "I didn't know I couldn't wear shorts to work," when he or she has already signed your employee handbook acknowledgement form which states that he or she has read the handbook, which states that shorts are not allowed. It will also be very clear to your other employees that you aren't trying to

discipline or terminate one employee based on something frivolous or a policy that was never clearly communicated. Your handbook, once rolled out to your staff, will reassure them they are being dealt with fairly.

The very first page in your handbook could be titled “About the Handbook,” or “Important Notice about Your Handbook,” and contain the notice and Confirmation of Acknowledgement in Sample 1.

It is important that this Acknowledgement is signed, dated, and placed in the each employee’s file. I had an employee once who told me that she didn’t know the staff discount was for staff members only, when we caught her purchasing items for her friends. I was able to pull out her Employee Acknowledgement form, which she had signed stating that she read and understood the policies in the handbook, namely that the staff discount was for staff only. She had no option but to admit she had violated a company policy, and we were able to have a straightforward performance management discussion at that point. But without her signed form, it would have been a “he said, she said” discussion that would have made the problem very difficult to address.

# Sample 1

## About the Handbook

With any new role, you may experience a period of adjustment. You will have questions about your job duties, your benefits, and the general operation of (*Company*). This employee handbook is provided as a guide to the terms around which (*Company*) builds its corporate culture and hope it will assist you in finding the answers to many of your questions. We do not expect this will answer all the questions you have, so know that your manager will be a major source of information also.

This handbook is not, nor should it be considered to be an agreement or contract of employment, express or implied, or a promise of treatment in any particular manner in any given situation. This handbook states only general company guiding principles and people practices.

Keep in mind that (*Company*) is growing and changing on a continual basis, so this document is a living one and will be changed, added to and deleted from, as circumstances require. (*Company*) may, at any time, in its sole discretion, modify or vary from anything stated in this handbook. In the event that something in this handbook conflicts with federal or provincial laws, those laws will govern.

We reserve the right to edit, alter, or otherwise change policies and passages in this handbook at any time, without prior notice to our employees. This handbook supersedes all prior, manuals, guiding principles, and procedures issued by (*Company*).

### **Confirmation & Acknowledgement of Receipt**

It is a requirement of your employment with (*Company*) to read and abide by this handbook and any applicable addendum's. You are required to read the handbook either as part of your new hire paperwork process or on your first day and throughout your employment as updates are made. We will notify you of any changes to the handbook, our way of work or the policies within and ensure a copy is provided to you for review & sign-off.

If you have any questions in regards to this handbook, please see your manager.

### **Employee Handbook Acknowledgement Form**

I acknowledge that I have been informed about the Employee Handbook for (*Company*). I acknowledge that a copy has been provided to me along with a hardcopy available in the office and I have access to the handbook during my work hours. I agree that I have read it thoroughly and acknowledge that if there is any policy or provision in the handbook that I do not understand, I have and will continue to seek clarification.

I understand that this handbook states (*Company*) policies and practices in effect on the date of publication. I understand that nothing contained in the handbook may be construed as creating a promise of future benefits or a binding contract with (*Company*) for benefits or for any other purpose. I also understand that these policies and procedures are continually evaluated and may be amended, modified or terminated at any time.

I acknowledge and understand that I will take responsibility and accountability for my employment with (*Company*) and will abide by its policies and guidelines. I understand that failure to abide by these policies can result in disciplinary action up to and including termination.

I acknowledge that I have read and understood (*Company*) Technology Usage Policy contained in the employee handbook. I understand that by signing this document I am agreeing to abide by the Technology Usage Policy as it exists, now or hereafter. I further understand that if I do not agree to the Technology Usage Policy that my usage of all of (*Company*) systems will be revoked including access to email, computers or cell phones.



## Sample 1 – Continued

Finally, I understand that any confidential information made available to me during my employment with (*Company*) must not be disseminated or used outside of the company's premises, during or after my employment with (*Company*).

\_\_\_\_\_  
Name of Employee (Please print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date