

BECOMING AN EMPLOYER

As you think about hiring your first employee, you must also comply with state and federal labor laws, which include non-discrimination and minimum wage rules. You will be required to display posters in your workplace related to unemployment, workers' compensation, protective legislation (pay periods), whistleblower's protection, wage, polygraph protection, OSHA, Equal Employment Opportunity (EOC) if you do federal contracting/subcontracting) and the federal Family and Medical Leave Act (FMLA) (if you have 50 or more employees). A good place to find these posters is http://www.labor.state.nh.us/mandatory_posters.asp. You also must maintain complete payroll records and good personnel records, carefully documenting all performance reviews and any disciplinary actions.

EMPLOYEE BENEFITS

Employee benefits can be one of a business's most significant expenses, sometimes costing as much as 30 to 50 percent of wages. However, offering some kind of benefits package has become standard. Full-time employees have come to expect it. The question is not whether to offer benefits; rather, it is "what package can the company afford?"

The following are some things to keep in mind when updating or adding employee benefits:

- If your employees are likely to leave your company for another in the same industry, learn as much as you can about what benefits are standard in your industry. If you have trouble retaining employees, think about offering more or better benefits than your competitors. If your company is in a rural area where employees are likely to switch industries, consider the benefit packages offered by other companies near you.
- Begin with a modest benefit package and build up as the company grows and stabilizes. Giving too many benefits at first can backfire if you need to cut back later. For many employees, a reduction in benefits is equivalent to a cut in pay.
- Develop an employee handbook and have it reviewed by a lawyer who is well-versed in employment law.
- Have your employees review your draft handbook with an eye to uncovering unwritten rules that you've allowed to develop in the workplace. While you have the ultimate decision-making power, it's helpful to include employees in developing workplace procedures and benefit structures, especially if you plan to make changes. Handing down decisions by fiat is a morale killer, especially if they are perceived as unfavorable.

EMPLOYEE HANDBOOKS

An employee handbook can make managing employees easier. Relying on verbal communication can give rise to confusion, conflict, and charges of discrimination or unfair treatment. A good handbook provides consistency and accuracy in dealing with employees by spelling out company expectations, employee benefits, rules, policies, and procedures.

Developing a handbook doesn't have to be costly. One suggestion is to draft it yourself and pass it by your lawyer for review. It is important to ensure that the handbook is worded correctly and that it protects you legally. Many lawsuits occur because companies can't document the consistent use of policies.

Your handbook could include:

- General operating policies: hours, opening and closing procedures, meals and breaks, smoking/non-smoking rules, customer service, telephone procedures, dress code, health and safety regulations, etc.
- Equal opportunity workplace, sexual harassment policy, drug and alcohol policy, work environment
- How the organization is structured, job descriptions, salary and performance reviews, promotions
- Overtime and comp time
- How health and sick time are earned; how they are to be used
- Personal days/time, family illness or emergency
- Health, dental, life insurance, disability benefits
- Maternity policy
- Pension plan, profit-sharing, bonuses
- Other fringe benefits, i.e. employee discount, parking, etc.
- Other rules or regulations, as appropriate

Write your handbook in simple, plain language. Be concise yet thorough. When you give out the handbook, have your employee sign a form stating that they have received and understood company policies. Give one copy to the employee and keep the other in his or her file.