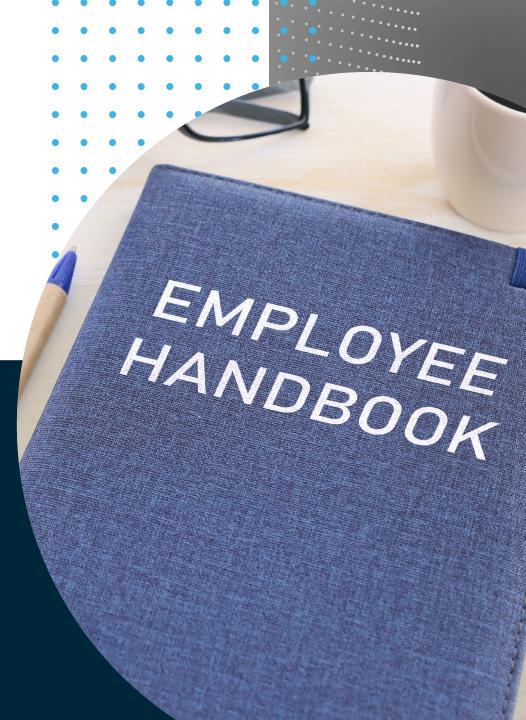


Top 10 Mistakes in Handbook Drafting and Implementation

Handbook Mastery Webinar Series | Part 1



Presented By



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Agenda

- Introduction to ComplianceHR
- Top 10 Handbook Mistakes and How to Avoid Them
- Q&A



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Introduction to ComplianceHR

Simplify the Complexity of Employment Law





Policy Smart™

Effortlessly create and maintain an up-to-date and legally compliant employee handbook



The Reference Center

Easily answer compliance questions and locate content on several employment law topics



The Document Center

Efficiently generate state and federal compliant documents throughout the employee lifecycle



The Training Center

Interactive compliance training designed to reduce risk and improve retention



Navigator Independent Contractor

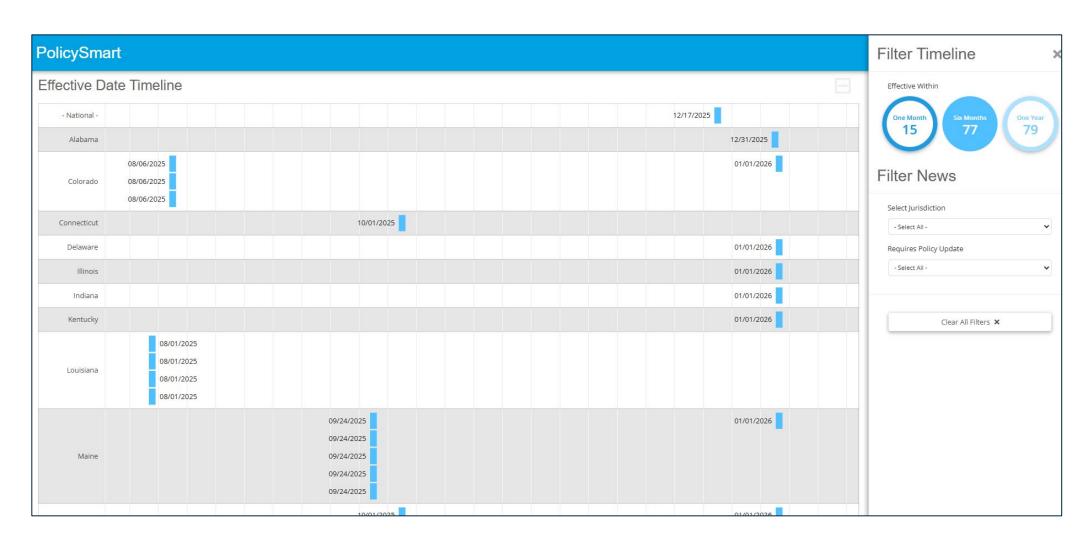
Immediately mitigate your risk of independent contractor misclassification



Navigator Overtime

Quickly and compliantly determine whether an employee is exempt or non-exempt

Proactive Effective Date Timeline



Bi-monthly News Updates

PolicySmart

Policy News and Updates

Click on the links below to access summaries of legal developments added to PolicySmart within the last 30 days:

Arizona

City of Tempe, Arizona Enacts Heat Safety Standards for City Contractors View Post

Colorado

- Amended Colorado Paid Family and Medical Leave Insurance (FAMLI) Law Addresses Neonatal Intensive Care, Slightly Low
- . Colorado Clarifies Right to Reproductive Decisions View Post
- Colorado Enacts Increased Wage Act Penalties and Enforcement, Allows Local Governments to Increase Tip Credit View Po
- . Colorado Amends Law on Child Support Withholding View Post

Connecticut

- Connecticut Amends Consumer Data Privacy and Online Monitoring Act View Post
- Connecticut Amends Retirement Security Program View Post
- Connecticut Amends Anti-SLAPP Statute, Extending Protections to Include Communication Concerning Alleged Commission

Delaware

Delaware Appropriates Funds for Administration of Healthy Delaware Families Act View Post

District of Columbia

. District of Columbia Amends Human Rights Act, Including Definition of Sexual Harassment View Post

Hawaii

- Hawaii Amends Retirement Savings Act <u>View Post</u>
- Hawaii Expands Eligibility for Unemployment Benefits View Post

Illinois

Illinois Amends Equal Pay Act, Expanding Reporting Requirements View Post

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Iowa Amends Law on Notification of Positive Drug Tests View Post

Developments Taking Effect This Month

To help keep you on track, below is a reminder of previously enacted laws taking effect this month. Click on the links to access the PolicySmart summary and any policy related template materials

Alaska

- Alaska Ballot Measure Includes Provisions on Mandatory Employer Meetings (effective Jul 01, 2025) View Post
- A Majority of Alaskans Appear to Have Approved a Paid Sick Leave Ballot Measure--Now Includes Sample Policy (effective Jul 01, 2025) View Post

Arizona

. City of Tempe, Arizona Enacts Heat Safety Standards for City Contractors (effective Jul 09, 2025) View Post

Arkansas

- Arkansas Amends Independent Contractor Test (effective Jul 12, 2025) View Post
- New Arkansas Law Allows Employers to Disclose Substantiated Allegations of Sexual Abuse or Harassment to Prospective Employers (effective Jul 12, 2025) View Post
- Arkansas Passes Law Allowing Private Property Owners to Ban Emotional Support Animals (effective Jul 12, 2025) View Post
- . New Arkansas Law Requires Veterans' Benefits and Services Poster (effective Jul 12, 2025) View Post

California

Los Angeles County Enacts Predictive Scheduling Ordinance--Now Includes Sample Policy (effective Jul 01, 2025) View Post

Colorado

. Colorado Expands Privacy Act Protections for Biometric Data--Includes Written Policy Requirement (effective Jul 01, 2025) View Post

Connecticut

Connecticut Amends Retirement Security Program (effective Jul 01, 2025) View Post

Georgia

. Georgia Phases Out Subminimum Wage for Individuals with Disabilities (effective Jul 01, 2025) View Post

Hawaii

- Hawaii Amends Retirement Savings Act (effective Jul 01, 2025) View Post
- Hawaii Expands Eligibility for Unemployment Benefits (effective Jul 01, 2025) View Post

Idah

. Idaho Expands Law Prohibiting Required Vaccinations (effective Jul 01, 2025) View Post

Sign Up for a Demo

Three ways to sign up for a demo:

- 1. Reply "Yes" to the on-screen poll
- 2. Visit our website: Compliancehr.com
- 3. Email our team at demo@compliancehr.com

Benefits of a custom demo:

- Discuss your organization's requirements/challenges
- Review Navigator Suite Solutions
- Share compliance methodologies

ComplianceHR Demo & Free Trial:

https://compliancehr.com/webinar-demo/

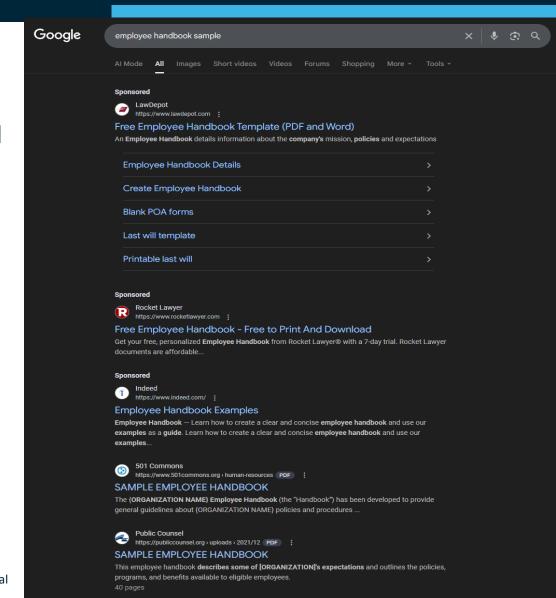




The Top 10 Handbook Mistakes – And How to Avoid Them

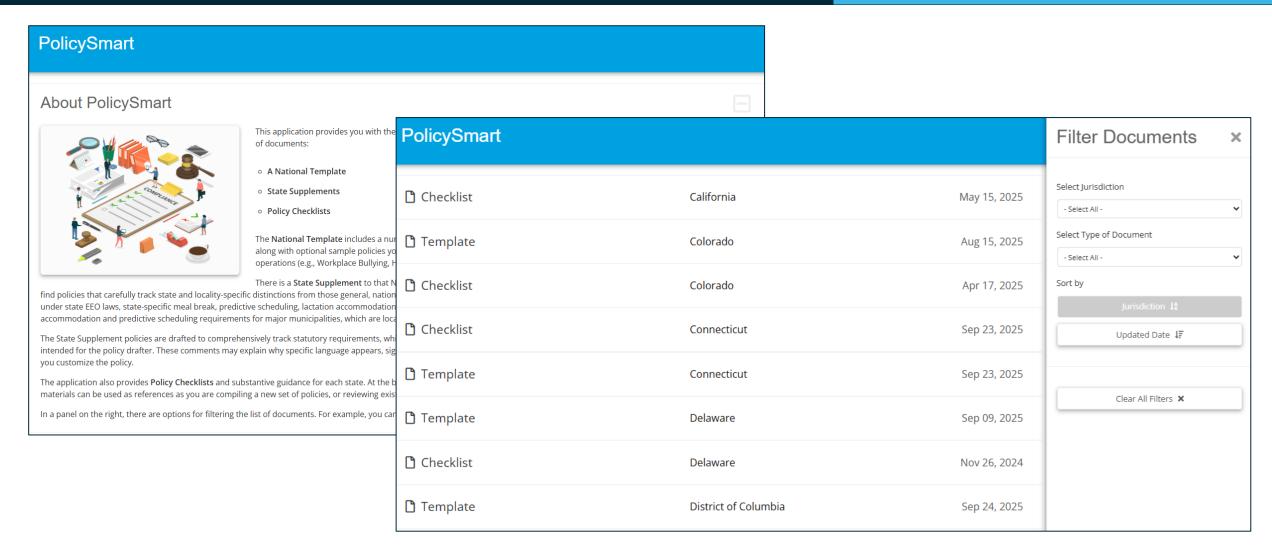
Mistake #1 – Using Non-Littler Templates

- Non-Littler templates exclude policies required by federal, state, and local law
- Non-Littler templates exclude best practices language vetted by SMEs
 - Background checks
 - Drug and alcohol testing
 - National Labor Relations Act
 - Paid family leave
 - Paid sick leave
 - Privacy
 - Wage and hour
- Non-Littler templates include language that may create unnecessary compliance obligations



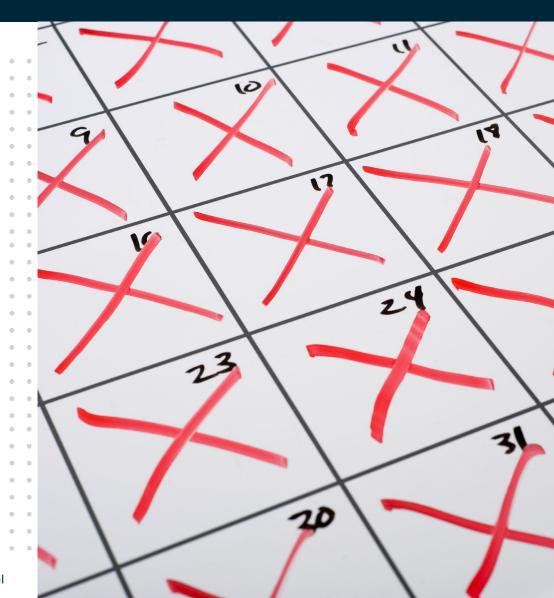
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Federal and State - Littler Templates



Mistake #2 – Not Updating the Handbook Regularly

- Laws, rules, regulations, and case law change constantly.
- Company practices evolve over time.
- A static employee handbook quickly can become outdated and legally risky.
- Best practice is to establish a regular cadence for reviewing and updating the handbook.
- ComplianceHR and PolicySmart allow for real-time handbook updates.



Policy News and Updates from Littler

PolicySmart Illinois Illinois Amends Organ and Blood Donor Leave Law -- Includes Updated Po Illinois has amended the Employee Blood and Organ Donation Leave Act to expand its cover time employees. ... Illinois Illinois Amends Organ and Blood Donor Leave Law -- Includes Updated Po Illinois has amended the Employee Blood and Organ Donation Leave Act to expand its cover time employees. ... - National -White House Proclamation Imposes \$100,000 H-1B Fee: Immediate Action On September 19, 2025, President Donald Trump issued a proclamation titled, Restriction or significant change to the H-1B visa program. ... - National -Treasury Department Issues Proposed Regulation on "No Tax on Tips" The Treasury Department has now issued a proposed regulation on the meaning of "cash tip the "no tax on tips" deduction. ... - National -

Illinois Amends Organ and Blood Donor Leave Law -- Includes Updated Policies

Illinois Legal Development (Effective 01/01/2026)

Requires Policy Changes

Add to Calendar 🗎

Posted October 8, 2025 - Illinois has amended the Employee Blood and Organ Donation Leave Act to expand its coverage to make paid leave for organ donation available to part-time employees affords full-time employees up to a total of ten days of paid leave in any 12-month period to serve as an organ donor.

This amendment permits part-time employees to take up to ten days of leave in any 12-month period to serve as an organ donor. To calculate compensation for a part-time employee using orga donation leave, the employer must calculate the daily average pay the part-time employee received during their previous two months of employment and compensate the employee in the amou daily average pay for the leave days used. Although full-time employees may use paid leave to donate blood, the amendment does not extend paid blood donor leave to part-time employees.

Under the amended law, both full-time and part-time employees may use this paid organ donation leave only after obtaining approval from their employer.

The Illinois Supplement previously included a single Blood and Organ Donor Leave policy. However, in light of yet another distinction between the organ and blood donor leave requirements an entitlements, we have separated that into two separate policies. The Organ Donor Leave policy below also reflects the amendment taking effect January 1, 2026.

SAMPLE POLICIES

Blood Donor Leave

Eligible employees will be allowed up to one hour of paid leave every 56 days to donate, or attempt to donate, blood.

"Eligible employees" are full-time employees who have been employed by the Company for six months or longer and have obtained company approval for the time off.

[Insert one of these statements: If an employee attempts to donate blood but is unsuccessful (as determined by the blood bank), the employee will retain the one hour of blood donation leave. Employees who attempt to donate blood but are unsuccessful (as determined by the blood bank) will still be charged the blood donor leave.]

[Optional: Minor employees who are 17 years of age or older may donate blood, if the donation is completely voluntary, without the necessity of obtaining the permission or authorization of the or guardian. However, employees who are 16 years of age can only donate blood if they get written permission or authorization from their parent or guardian.]

Employees will not be required to use accrued or future vacation or sick leave while taking time off to donate blood.

When requesting time off for blood donation, employees must submit documentation of the appointment to donate blood in advance of the appointment. The Company may require that employee provide a written statement from the blood bank confirming the employee's attendance at the appointment.

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Mistake #3(a) – Failing to Implement Changes

- Updates to company policies and practices <u>must</u> be implemented to be effective.
- Failure to properly communicate policy and practice changes can create significant exposure.

Employees may carry over all accrued but unused paid sick leave from one calendar year to the next. Paid sick leave that remains unused at the end of a calendar year will be lost and will not carry over from one year to the next.

Mistake #3(b) – Failing to Communicate Changes

- Updates to company policies and practices <u>must</u> be communicated to employees.
- Best practices for an effective handbook rollout:
 - Track distribution to ensure that all employees receive a copy of the new handbook and sign an acknowledgment of receipt.
 - Host a Town Hall meeting with employees to review the handbook updates and answer questions.
 - Distribute memo to employees summarizing key policy changes from the previous version.
 - Train managers and supervisors on policy changes and new obligations.

Mistake #4 – Including Vague or Ambiguous Language

- Policies must be clear, specific, and easy to understand.
- Vague or ambiguous language may result in misinterpretation and inconsistent enforcement.
- Use plain language.
- Define key terms.

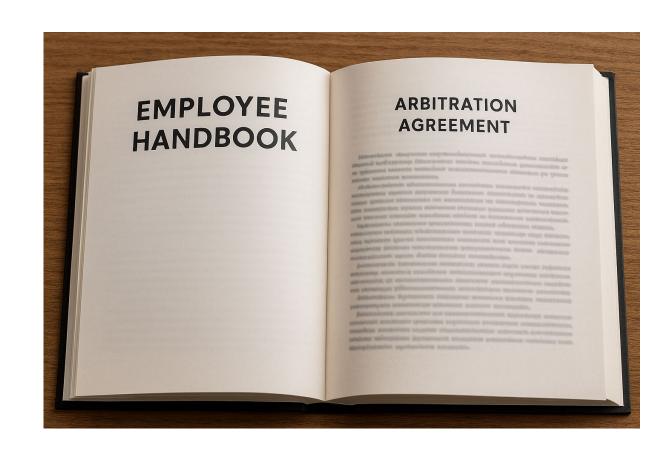


Mistake #5 – Inadvertently Creating Contractual Obligations

- Handbook policies that are sufficiently definite or contain mandatory language are risky:
 - Employees may reasonably interpret policy language as creating binding and enforceable promises.
 - Plaintiff counsel may point to non-compliance or inconsistent enforcement of policy language as evidence of unlawful discrimination.
- Examples:
 - Compensation and benefits
 - Paid time off
 - Meal and rest breaks
 - Probationary period
 - Progressive discipline
 - Termination
- Handbooks should have clear, conspicuous, and comprehensive disclaimers of contractual rights.

Mistake #6 – Using the Handbook to Create Contractual Obligations

- Employers often include contractual language in the employee handbooks:
 - Arbitration agreements
 - Confidentiality agreements
 - Inventions assignment agreements
 - Non-competition agreements
 - Non-solicitation agreements
 - Non-solicitation agreements
- Contractual language conflicts with the disclaimer contained in many handbooks that it is not a contract.
- To obtain binding and legally enforceable promises from employees, a standalone contract is required.
- It is strongly recommended that any standalone contract is reviewed by a Littler SME to ensure multistate compliance.



Mistake #7 – Misalignment of Policies and Practices

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF RHODE ISLAND

JOHN DOE

Plaintiff

ABC CORP.

Defendant

DEFENDANT'S MOTION FOR SUMMARY JUDGMENT



- Do not include any policies in your handbook that you do not intend to enforce fairly and consistently.
- "Dormant" policies need to be removed from the handbook.
- Non-enforcement or inconsistent enforcement of handbook policies carries significant legal risk:
 - Discrimination and retaliation claims
 - Civil and criminal penalties for non-compliance with applicable law
 - Weakening of affirmative defenses in employment litigation
 - Undermining of employer position at unemployment hearings
 - Erosion of trust and harm to employee morale

Mistake #8 – Failing to Account for Your Workforce

- Tailor policies to your workforce's structure and needs.
- Consider remote, hybrid, exempt/nonexempt, multi-state employees.
- One-size-fits-all handbooks don't work.
- Customize for relevance and compliance.



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Mistake #9 – Failing to Properly Train Managers and Supervisors

- Best practices for manager and supervisor training on handbook policies:
 - Explain the "why"
 - Highlight key policies and policy updates
 - Practice enforcement with real world examples
 - Discuss legal implications of noncompliance
 - Provide resources and ongoing support



Mistake #10 – Lack of an Acknowledgment

- Acknowledgment confirms receipt and understanding.
- Critical for legal protection and enforcement.
- Include clear disclaimers of contractual rights.
- Store acknowledgments securely and accessibly.



Sign Up for a Demo

Three ways to sign up for a demo:

- 1. Reply "Yes" to the on-screen poll
- 2. Visit our website: Compliancehr.com
- 3. Email our team at demo@compliancehr.com

Benefits of a custom demo:

- Discuss your organization's requirements/challenges
- Review Navigator Suite Solutions
- Share compliance methodologies

ComplianceHR Demo & Free Trial:

https://compliancehr.com/webinar-demo/



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Questions?

This information provided by Littler is not a substitute for experienced legal counsel and does not provide legal advice or attempt to address the numerous factual issues that inevitably arise in any employment-related dispute. Although this information attempts to cover some major recent developments, it is not all-inclusive, and the current status of any decision or principle of law should be verified by counsel.

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Thank You

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