

PARTICIPATOR

December 2012

EMPLOYEE HANDBOOK HELPER: COMMUNICATING POLICY CHANGES

You should regularly revise and modify your employment policies and employee handbooks as the law changes and as your operational needs dictate. Once you make policy changes, however, should you communicate them to your employees? If so, how?



Distribute, distribute, distribute – To be an effective management tool, personnel policies and employee handbooks must be distributed to all employees. Employers all too often overlook the need to communicate handbook and other policy changes to their employees and underestimate the importance of requiring employees to acknowledge their receipt of a revised policy. A signed acknowledgment is important proof that employees have received and are aware of your current policies – thus negating any claim that an employee “didn’t know” about your rules.

Consequently, whenever you implement a policy change, you should distribute the changed policy to all employees and require some type of written acknowledgment that they have received it. The signed acknowledgments should be kept in the employees’ personnel files.

Changes in policies and employee handbooks must also be communicated to your supervisors, and they must be trained on the meaning and impact of the policy changes. Without knowledge of the changes or training on how to properly apply new policies, supervisors are much more likely to enforce your rules incorrectly or make decisions that result in inconsistent treatment – which often leads to claims of discrimination.

Case Study – Myriad problems can arise when an employer fails to inform employees of policy and handbook changes. For example, assume that when Employee A was hired, he received an employee handbook and signed an acknowledgment that he received it. At the time he was hired, the handbook stated that vacation pay accrues day by day and carries over from year to year, and employees are paid for accrued but unused vacation when they leave the company.

At some later point, the employer revised its vacation pay policy to state that vacation time accrues only after an employee completes an anniversary year of employment, vacation does not accrue day by day, unused vacation cannot be carried over to the next year, and employees are not paid for earned but unused vacation days upon termination. However, the employer failed to distribute the revised policy to its current employees; it merely provided the updated policy to new hires.

When Employee A is discharged for falsifying his time card, he demands to be paid for all of his unused



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vacation time up to the date of his termination. Because he was never put on notice of the change to the vacation pay policy, it's unclear whether the employer would be able to prevail in asserting that its current vacation pay policy doesn't permit him to receive vacation pay. Given that uncertainty, the employer would likely have to fight its way through a lawsuit. If the employer had clearly communicated its policy change to all employees and received an acknowledgment from Employee A that he had received and read the new policy, there would be little question that it would prevail in the dispute.

That confusion isn't limited to vacation pay policies. It's especially problematic when an employer changes its disciplinary rules or scheme but doesn't alert employees to the change. If the employer attempts to discipline someone under the new rules or procedures, it would have a difficult time defending itself from allegations that its actions were improper or discriminatory because employees weren't on notice of the changes.

Bottom Line – It may seem simple and self-evident, but employers frequently overlook the necessity of communicating rule changes to their employees. Failing to inform employees about policy changes can lead to confusion, inefficiency, and, unfortunately, litigation. Consequently, whenever you change your policies, it's essential to promptly distribute the changes and require employees to acknowledge their receipt. *Reprinted courtesy of the North Dakota Employment Law Letter. For subscription information, call 800-274-6774 or click to www.HRHero.com.* ■

NDIRF BOARD OF DIRECTORS ELECTION

Annually, at least two seats on the nine-member NDIRF Board of Directors are up for election. The election is held by member voting through solicitation of proxies by mail or voting in person at the NDIRF Annual Meeting. In 2013, directorships representing the member categories of "Cities" and "Counties" are up for election. The incumbent board members are Shawn Kessel, Dickinson City Administrator ("Cities"), and Bruce Strinden, Morton County Commissioner ("Counties"). Elected officers or employees of NDIRF members, from among the respective categories electing a director in a given year (for example, "Cities" and "Counties" in 2013), are eligible to serve as directors.

Any eligible person wishing to be considered by the NDIRF Nominating Committee as a director candidate must complete and submit a Candidate Application Form by January 31, 2013. To obtain a copy of the form, please contact the NDIRF office by phone at 1-800-421-1988; by mail at P.O. Box 2258, Bismarck, ND 58502; or via e-mail at steve.spilde@ndirf.com; and direct your request to the attention of the CEO. ■

The NDIRF office will be closed Monday and Tuesday, December 24th-25th and Tuesday, January 1st, 2013. *Happy Holidays!*