



A Guide for Employers

Employee Documentation

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PENINSULA



About Peninsula

Peninsula is an employer resource for HR and employment advice, offering guidance to small- and medium-sized businesses. For over three decades, we have supported over 50,000 businesses worldwide, across every sector and industry.

Our clients benefit from immediate access to unlimited 24/7 employment advice, legal expenses insurance, on-site HR audits, a suite of employer documents and templates, online employee management tools, and legislation updates, all of which are custom-tailored to your business. Simply put, Peninsula is an affordable alternative solution to having your own in-house human resources team. We're here to help you, anytime.

For more information, visit www.peninsulagrouplimited.com/ca.



Who is this guide for?

The essential guide for HR and employment topics dedicated to small business owners.

If you are a business owner or employer, this guide is for you.

The content is designed to address employment-related topics and provides basic information and answers to frequently asked questions.

Use this guide as a reference point for:

- Employer need-to-knows
- HR best practices
- Employment-related facts
- Legislation updates

If you require help to apply this information to your particular situation, please contact Peninsula to speak with our expert HR and employment advisors. Our dedicated employer's advice line is a complimentary service that's available 24/7 at **1(833) 247-3651**.

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Employee Documentation

A Resource Dedicated to Employers



This employer guide provides an overview of the basics of employee documentation, and offers guidance on how to avoid common pitfalls.

The day you hired your first employee was the day your organization changed forever.

At that moment, you became an employer. You stepped into a set of responsibilities and relationships that went beyond just delivering your product or service. At the same time, you delegated a certain degree of control. The future of your business now relies on the performance of others!

It's a delicate balance onboarding employees while retaining standards. Of course, there are established ways to make the process productive going forward.



As an employer, how do you set expectations and rules for your employees?

You communicate them.



Employee Documentation

As an employer, how do you protect yourself from liability risk? You draft clear agreements.

Setting Expectations

The starting point is documenting your expectations, policies and procedures. In other words, write them down. The two main documents in this regard are:

- Employee Handbook
- Employment Agreement

The information provided in the Employee Documentation is a commitment by the employer to its employees. When properly prepared, the documentation works the other way too—as a commitment by the employee to the employer.

Before You Start

Before drafting your Employee Handbook and Employee Agreements, there are two key things to remember.

Did you know?

Termination is the leading cause of employment legal disputes.

1. Know your responsibilities. As a first step, determine whether you are in a federally regulated sector or a provincially regulated sector. If you are provincially regulated, familiarize yourself with the Ontario Employment Standards Act (ESA) and its rules surrounding:

- Rates of pay and minimum wage
- Hours of work and overtime
- Vacations
- Statutory holidays
- Public holidays

The ESA prescribes minimum standards for these items. Make sure you understand these requirements and that your Employee Handbook and Employment Agreements align with them.

2. Terminations can lead to trouble. The second point to remember is that employee termination is the leading cause of employment-related legal battles. Make sure your Employee Handbook and Employment Agreements are clear about your termination process, including the following:

- Probationary period
- Disciplinary process
- Notice period
- Severance pay

Do not leave your rules undefined or open to misinterpretation. Define them clearly through a well-written Employment Agreement.



Employee Handbook



An Employee Handbook is an essential resource for learning, consulting and acknowledging the company's practices. The Employee Handbook plays many essential roles, including:

- Helping train employees for their roles
- Introducing employees to the company structure and policies
- Letting employees know you value them
- Providing a reference book for ongoing questions
- Protecting your organization in case of a complaint or litigation

Remember: Develop your company's handbook. Write the handbook that is best suited to your organization's needs. One of the biggest mistakes a company can make is adopting policies or a handbook that belong to another organization.

Section 1: Building a Productive Company Culture

As your Employee Handbook will set out several rules—the “to-do’s” and “not-to-do’s”—we suggest using the opening sections to set a positive tone: the inspirational and aspirational parts of your company’s mission that will motivate your people toward success.

This section includes:

Welcome letter from the owner. The letter should welcome the employee to the team and express the company’s desire to see the employee and the company succeed.

Mission, vision and values. This is the opportunity to share the organization’s mission, vision and values—those crisp, inspirational notes that set the course for the company’s culture and way forward.

Company history. You can also make the employee feel part of something bigger by talking about the company’s history. Established companies should emphasize that the employee is joining a “longstanding leader,” while newer companies can focus on the excitement of joining an “innovative startup.”

These opening pages can go a long way toward building a culture of positivity and success.

Section 2: Policies and Procedures

This is the section where you outline your expectations and the company’s policies.

All companies have **formal** and **informal** policies.

The formal policies are the statutory requirements prescribed by legislation. They generally cover:

- Health and safety policies
- Workplace violence and harassment policies
- Customer service standards
- Entitlements for disabled employees

The informal part is for company-specific policies. This includes information, such as:

- Company hours
- Dress code
- Vacation policies
- Pay and benefits

In this section, you should also outline the practices specific to your industry. For example, if your company is a restaurant, use this section to emphasize the importance of healthy food-handling practices. Similarly, if you have an industrial site, emphasize the importance of following safety procedures.



Employee Agreement

It is important that, as an employer, you state an employee's responsibilities and provide a clear understanding of what is expected during their term of employment.

Did you know?

All employer-employee relationships are considered to be legal contracts.

The agreement may be oral, written or implied, but it always exists.

Consequently, it is imperative that you draft a clear, specific contract for hiring your employees and guiding their employment.

A clearly drafted contract benefits both employers and employees, as it helps both parties clarify their working relationship.

Among other provisions, your contracts should specify the following:

- Position and duties
- The period of employment, whether it is a specific time period (contract employee) or an indefinite period (permanent employee)
- Rate of pay
- Termination

When drafting the letter, please keep certain priorities in mind:

The contract is an ongoing document. The employment contract is often signed at the outset of the employer-employee relationship, but that does not mean that the contract is frozen in time. It can be revised at any time to reflect new duties, greater responsibilities, more specific goals, or changes in organizational practices.

Use an Ontario contract template. A common mistake is to use a contract template that has been taken from the Internet or from a startup business kit. Too often these templates are drafted for the US market and their clauses do not relate to Ontario law.

Be precise. When you draft the contract, be precise about what you expect and what the arrangement will be. If the language in an employment contract is open to several different interpretations, the Ontario courts will interpret it in the way most favourable to the employee.

Specify your termination rules. Employers who do not specify the termination process in their employment contracts are presumed to have accepted "implied terms" under common law. Be sure that your Employment Agreement outlines your probationary period, disciplinary process, severance pay and notice period.



Summary

Employee Documentation

Onboarding employees is a fundamental part of your company's growth and success.

It must be done properly – with proper communications and documentation of your expectations and rules.

As an employer, you must ensure your employees understand your expectations and effective working practices. At the same time, you must protect yourself against the risk of liability.

Write your Employee Documentation – your Employee Handbook and your Employee Agreements – with these primary objectives in mind.

Employee Documentation is more than just a formality. These materials will be the go-to resources for key questions about your rules and processes.

Make them thorough, informed and clear.

Questions?

Ask us about a custom-tailored employee handbook for your business, or how to set workplace expectations with the right policies and procedures.

For more information about employee documentation, contact Peninsula today. Our professional HR advisors are here to help you.

1(833) 247-3651

We've got you covered.



Employer's Checklist

Do you check all the boxes when preparing and managing employee documentation?

Follow these key steps when writing your Employee Handbook and Employee Agreement.

- Write an inspirational cover letter welcoming your employee to the team. Use it for both the Employee Handbook and the Employee Agreement.
- Familiarize yourself with the Employment Standards Act for requirements on working hours, minimum wage, statutory holidays, among other areas.
- If you are using templates, make sure they are Ontario-specific.
- Set a Probationary Period and make sure your employees understand and acknowledge it.
- Review thoroughly the rules surrounding termination and make your documents are clear about your termination process.
- Sit down with your employees and explain the Employee Handbook and the Employee Agreements. Point out the most important provisions and make sure they understand the expectations.
- Encourage your employees to use the Employee Documentation as their first point of reference for any questions.
- As your company grows and changes, revise your Employee Documentation to reflect changing procedures, rules and expectations. These are the ongoing documents that guide your employment relationships.



Employer Resources

Get 24-hour access to complete HR support that's affordable, immediate, and right for your business needs.



Are you a small business owner looking for HR advice? You're in the right place.

For additional information, you can continue browsing:

- The [Employment Standards Act, 2000 \(ESA\)](#)
- [Peninsula Employment Services](#)
- [Peninsula's Free Employer Downloads](#)

Or, save time and money with a quick solution. Give us a call, instead - **1(833) 247-3651**