

# Employee Lawsuits

10 Things  
You Can Do NOW

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# **10 Things You Can Do Right Now to Avoid Employee Lawsuits**

**A Checklist for Employers**

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## About the Author

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# **10 Things You Can Do Right Now To Avoid Employee Lawsuits**

## **A Checklist For Employers**

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# 1 ■ Speak With the Employee - Defuse the Situation

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- Treat the employee with respect.
- Find out what the issue is from the employee's point-of-view.
  - Does the Employee have suggestions on solving the actual or perceived issue?
  - Do not acknowledge any fault or blame on the part of the company.
  - Do not acknowledge any fault or blame on the part of any other employee.
  - Do not accuse the employee of wrongful doing.
  - Respect the employee's privacy concerning the situation.
  - Does your Employee Handbook have a policy that covers the employee's concern?
  - Do not take any retaliatory action towards the employee.

## **2. Speak With the Employee's Supervisor**

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Where employees report to one or more supervisors, get the answers to these questions:

- Are the Supervisors aware that there is an issue with an employee?
- If so, obtain the supervisor's understanding of the situation.
- Do the Supervisors have a suggested solution?
- Small businesses may not have a supervisory hierarchy, with employees being supervised by the owner. If this is the situation in your company, and you are the owner, you may want to take a "step back" and try to objectively view the employee's concern.

## **3. Interview Other Employees**

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- Are other employees aware of the situation?
- Respect the employee's privacy when seeking information from other employees.
- Speak only to other employees with knowledge of the issue or incident.
- What is each employee's perspective on the situation?

## **4. Review The Employee's Personnel File**

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- Is the employee's file complete?
- Does the file contain the:
  - ▶ Original Employment Application.
  - ▶ Acknowledgement of Receipt of your Employee Handbook
  - ▶ At Will Employment Contract.

- ▶ Awards or commendations received by employee
- ▶ Job performance / Warning slip reports.
- ▶ I-9 form
- ▶ Change of personal information such as name, address or phone number.

If you do not have all of these forms, you can [click here to get all necessary forms now](#).

## **5. Summarize the Situation**

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A written report should be made of your investigation.

- On top of each page of the report, in bold lettering type:

**CONFIDENTIAL - PREPARED IN  
ANTICIPATION OF LITIGATION**

- Date the memorandum.
- Do not show this memorandum to anyone else other than your attorney.
- Keep memorandum separate from the employee's personnel file.
- File the memorandum in a secure private location that is available only to you.

## **6 ■ Is the Employee's Grievance Legitimate?**

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- Take corrective measures immediately.
- Try to defuse the situation with the goal of respecting the employee and attempting to prevent a lawsuit.

## **7 ■ Your Employee Handbook**

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If you have an employee handbook:

- Does your employee handbook comply with both your state laws and federal laws?
- Is your Employee Handbook up-to-date? State and federal laws do change. Your Employee Handbook policies must change as laws change.
- Does your Employee Handbook protect Employment At Will?

If your employee handbook does not comply with the laws of your state and federal laws, it is not legally compliant. Your business is at risk and not protected from employee lawsuits. It is that simple.

Your state has specific employment laws which may give employees more rights and protections and that impose greater obligations and penalties on you as an employer than under federal law.

Your employee handbook must comply with state laws and federal laws to help protect your business from lawsuits filed in state courts and federal courts.

If you do not have an employee handbook, or if you answered “No” to any of these questions, [you can buy and download your state law and federal law compliant employee handbook now.](#)

## **8** ■ Review Your Business Insurance Policy

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- See if you have Employment Practices Liability Insurance.
- Review the "Notification of Claims" Provision of the Policy.
- Determine if you should notify your insurance carrier of the situation.
- Keep in mind that a failure to Inform your insurance carrier of a potential claim may result in coverage being denied.

## **9. Receipt of a Claim Letter**

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Should you receive a claim letter from an attorney or from the employee threatening a lawsuit, you should consider the following doing the following:

- Contact your attorney immediately. Do not wait.
- Take no retaliatory action towards the employee.
- Follow your attorney's advice.

## **10. Do Not Destroy Any Documents**

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Enough said!

The destroying of documents can have greater consequences than the contents of the documents themselves.

## **Conclusion...Protect Your Business Now**

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An effective employee handbook is critical in properly managing employees and protecting you and your business from employee lawsuits.

An employee handbook is effective if it:

- Complies with the unique laws of your state and federal law.
- Is based on the most current state and federal laws when you make your purchase.
- Is kept up-to-date as your state's laws and federal laws change.
- Is written by an attorney skilled in business and employment law.

Start protecting your business now. Go to [FingerTipManuals.com](http://FingerTipManuals.com)