

# COMMON HR TERMS



## AMERICANS WITH DISABILITIES ACT (ADA)

This civil rights law was enacted in 1990 (amended in 2008), and prohibits discrimination against individuals with disabilities. ADA ensures equal opportunities for people with disabilities in areas of public accommodations, employment, transportation, and government services.

## APPLICANT TRACKING SYSTEM

A software that helps an organization with all recruitment needs.

## AT-WILL EMPLOYMENT

An at-will employee can be fired at any time for any reason. If the employer decides to let that employee go, the employee has limited legal rights to fight the termination. Additionally, an employee may leave at any time for any reason with or without notice. Essentially, all states recognize at-will employment, but, some states place limitations on it.

## BACKGROUND CHECK

A background check is a form of investigation into a potential employee's background, based on certain criteria. That could include employment, education, criminal records, vehicle, and license record checks. It also may or may not include a credit check, which looks into the credit history of a candidate (there are a number of laws surrounding this).

## BENEFITS

In general, benefits include some sort of 'perks' provided to employees that an employee receives in addition to wages. This could include health insurance, pension plans, sick leave, vacation, etc.

## COBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA), passed in 1985, is a law that requires employers with 20 or more employees that offer health care benefits to offer a continuing coverage option to those who lose their benefits due to termination, reduction in hours, etc. COBRA compliance failures can result in significant penalties for employers.

## DEPARTMENT OF LABOR (DOL)

This cabinet-level department of the government is responsible for a number of areas as it relates to the welfare of workers. This includes occupational safety, wage and hour standards, unemployment insurance benefits, and more.

## EMPLOYEE (VS. INDEPENDENT CONTRACTOR)

In the most basic sense of the word, an employee is someone who performs a service for a company. In general, a business owner must withhold income taxes, withhold and pay Social Security and Medicare taxes, as well as pay unemployment tax on wages paid to an employee. An independent contractor is an individual who provides services or goods to another individual or business under terms laid out in a contract.

## EMPLOYEE ONBOARDING

Onboarding refers to the action of integrating a new employee into an organization by providing the necessary knowledge, skills, and behaviors to be successful in the role. The onboarding process starts with the background check and involves everything from filling out paperwork to meeting co-workers.

## EQUAL EMPLOYMENT OPPORTUNITY (EEOC)

The EEOC is an organization responsible for enforcing federal laws that make it illegal to discriminate against a job applicant for a variety of factors. This includes a person's race, color, religion, sex, national origin, age (40 or older), disability, or genetic information. Most employers with at least 15 employees are covered by EEOC laws.

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## ESSENTIAL JOB FUNCTIONS

The fundamental duties of a position are used to determine the rights of an employee under ADA. If an employee cannot perform the essential job functions (even with reasonable accommodation), he or she is technically not considered qualified for the job, and therefore would not be protected from discrimination.

## EXEMPT (AND NON-EXEMPT) EMPLOYEES

An exempt employee is someone who is excluded from minimum wage, overtime regulations, and other protections under the Fair Labor Standards Act. A non-exempt employee is required to be paid minimum wage and overtime pay for any time worked over 40 hours in a week.

## EXIT INTERVIEW

This is a conversation with an employee who is about to leave an organization, about said employee's reasons for leaving and overall experience while at the organization.

## FAIR LABOR STANDARDS ACT (FLSA)

FLSA establishes minimum wage and overtime pay, recordkeeping, and child labor standards that affect full-time and part-time workers. The Wage and Hour Division (WHD) of the U.S. Department of Labor (DOL) enforces the FLSA.

## FAMILY AND MEDICAL LEAVE ACT (FMLA)

FMLA provides certain employees with up to 12 weeks of unpaid, job-protected leave per year and that their group health benefits be maintained during that leave. This law applies to all public agencies, public and private elementary and secondary schools, and companies with 50 or more employees.

## FULL-TIME (AND PART-TIME)

The difference between full-time and part-time employees is based off the number of hours worked in a standard week. The distinction is critical for purposes of the Affordable Care Act (ACA). A basic answer would be that a full-time employee is someone who works between 30-40 hours a week, and part-time is less than 30 hours a week. The FLSA actually does not have a definition of full-time vs. part-time employment; employers determine their own definitions.

## HANDBOOK

An employee handbook or manual, is a guide given to employees that includes everything related to your company policies. This could include information on culture, vacation time, and procedures. There are no federal or state laws that specifically require you to have one.

## JOB DESCRIPTION

A job description is a written outline of a specific job that includes the job title, duties, scope, and information on the company. Having a thorough and well-written job description is the first step in obtaining great employees.

## LABOR LAW POSTER

These posters are mandated state and federal employment law notices that employers are required to post conspicuously in an area frequented by all employees. If a business has at least one employee, labor law posters are required.

## MINIMUM WAGE

Minimum wage is the lowest wage permitted by law (from a federal or state level) that a worker can be paid. Currently, the federal minimum wage for covered non-exempt employees is \$7.25 per hour – this has been unchanged since 2009. Minimum wage provisions are outlined by the FLSA.

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## NON-COMPETE AGREEMENT

A non-compete agreement is a contract between employees and employers that states the employee must not enter into competition with the employer after that employee is no longer with the company.

## OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA)

Congress created OSHA from the Occupational Safety and Health Act of 1970, to ensure safe and healthy working conditions for employees. OSHA also sets and enforces standards by providing training, outreach, education, and assistance.

## OVERTIME

Unless an employee is exempt, an employee covered by the FLSA must receive overtime pay for over 40 hours in a workweek. According to the DOL, the rate is supposed to be not less than time and one-half of the employee's regular rate of pay.

## PERFORMANCE REVIEW

A performance review is a discussion between the employer and employee that evaluates and documents the employee's job performance.

## SEXUAL HARASSMENT

According to the EEOC, sexual harassment means that it is unlawful to harass someone by way of unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment. It can also include offensive remarks about a person's sex. Training for sexual harassment is critical in staying compliant, no matter how large or small a business is.

## WORKERS' COMPENSATION

Workers' comp is a form of insurance that provides benefits to employees who suffer job-related injuries or illnesses. Each state has certain laws and standards for workers' compensation. On the federal level, the government also has a separate workers' comp program, but it's mostly for federal employees.

### ABOUT PRIMEPAY

PrimePay believes in the power of small business.

Since 1986, PrimePay has been helping small businesses get time back in their day to focus on what matters most. This is possible through their payroll, HR, Time Clock and benefits admin services that help to ensure compliance and provide exceptional support during the employee lifecycle.

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