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5 Tips - Reducing Employment Litigation

1. Know the Current Disability, Medical Leave, and Privacy Laws.

The Americans With Disability Act applies to employers with 15 or more employees and the Family Medical Leave Act kicks in when a business has 50 employees. Simplify compliance by designating a key person to learn the fundamentals of the Americans with Disabilities Act, Family and Medical Leave Act, and other regulations that affect your workplace. Major employment decisions and policies should be reviewed by legal counsel.

2. Educate Management.

Many employment claims can be avoided by sensitive managers and supervisors. Train and educate managers and supervisors in employment law compliance, as well as the "people skills" that are so important in responding to complaints and potential claims. Teach managers and supervisors that ignoring problems very rarely makes them go away.

3. Update Your Human Resources and Sexual Harassment Policies.

Establish written policies for legal compliance and for cost-effective management of employees. Write and publicize clear, easy-to-understand rules and policies regarding sexual harassment and adopt procedures to see that the rules and policies are followed. Review your policies periodically to assure that changes in workplace law and in your management systems are reflected in the content of those policies.

4. Termination Decisions: Use the Jury Test.

Evaluate employee termination decisions carefully. A good question to ask is whether a cross-section of working and retired persons in your community would consider your decision a fair one. If they would not understand, or would disagree with your decision, stop and reconsider.

5. Buy Employment Practices Insurance.

Quality employment practices insurance gives a business the financial ability to defend costly litigation. Use deductibles, retentions or other premium-reducing mechanisms. Be sure that your policy pays both the costs of defense attorneys and of settlement and judgment against your business and its officers.