



The benefit brief

The employee solutions newsletter for the clients and friends of Dupuis Langen

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Providing post-employment references

DUPUIS LANGEN Financial Management

We are on the move!
On August 30th we moved into our new offices. Construction is still underway but nearing completion. We are now located at:

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Thank you for your referrals

Business is great but new clients are always welcome!
If you are aware of others who may like to receive our newsletter or who would appreciate an audit of their group benefits plan, please let us know!

Words of Wisdom

Success is never final.
Failure is never fatal.
Courage is what counts.

-Sir Winston Churchill

REQUESTS FROM FORMER EMPLOYEES

When you are asked for a reference for a former employee, proceed with caution. Your response could put you at risk.

For example, if an employee left your company on questionable terms and you do not provide a favourable report to the potential new employer, you may be in jeopardy of being sued by your former employee for defamation, interference with contractual relations and possibly, privacy violations. On the other hand, if a false representation of the employee is provided, or if you refuse to give a reference at all, you could face a lawsuit from the new employer for misrepresentation.

AVOIDING THE PITFALLS

We believe that the best way to avoid putting yourself at risk is to have a strict policy regarding employee references and to put procedures in place to handle such requests.

Recommendations:

- ✓ Give just one person the authority to provide employee references, preferably the Human Resources Manager. Make this person aware of the risks at stake and provide consistent testimonials to all future employers.
- ✓ Insist upon *written* reference requests in order to avoid any conflicts when providing confidential information.
- ✓ Refuse to provide verbal references.
- ✓ Be consistent in providing the same information for every request made. Use a standard form.

- ✓ Select careful wording of references that are based on facts.
- ✓ Have former employees sign a consent form authorizing you to disclose employment information and a release from liability related to the reference.
- ✓ Ensure that this information is relayed to all managers and supervisors in order to avoid misunderstandings.

CONTROLLING THE LIABILITY RISKS

Following are samples of a policy, procedures and form that could be modified to suit your own requirements.

Corporate Policy for Requests from former employees of ABC Company:

ABC Company may disclose personal information about a current or former employee in response to reference requests from prospective employers.

ABC Company will provide, upon written request, reference information to prospective employers only in accordance with the following procedures listed below.

Any release of information that is contrary to this policy may result in disciplinary action up to and including termination of employment.

Procedures:

1. All reference requests must be in **writing** on business letterhead and directed to (authorized person's name or title).

2. All reference letters shall include:

- ✓ Employee name
- ✓ Employment status
- ✓ Job title and description of duties
- ✓ Salary range
- ✓ Date of hire and termination date
- ✓ Reason for termination, if applicable

3. A copy of all reference letters shall be included in the employee's personnel file.

4. No references shall be issued to prospective employers without the written consent of the employee for whom a reference has been requested.

Current and former employees must consent to the provision of references in writing by signing the attached consent form.

CONSENT TO PROVIDE AN EMPLOYEE REFERENCE

I, _____ give consent to ABC Company
(name of employee)

to provide a letter of reference on my behalf if and when requested to do so. I understand that ABC Company may disclose personal information about me, including job performance and personal characteristics, in order to provide a letter of reference, or to respond to a reference check on my behalf.

I agree to the disclosure of this and other personal information to the following individual or organization:

Name of contact Name and Address of Company

In regard to all requests for references:

I hereby release ABC Company from any and all liability associated with the release of information related to my employment.

Employee signature: _____ Date: _____

AWARENESS OF STRESS IN THE WORKPLACE

Stress in the workplace is a leading contributor to lower productivity, employee turnover and mounting health costs.

Towers Perrin recently surveyed 80 large Canadian companies and found that employers are becoming proactive in dealing with these issues. These range from job-sharing and flexible hours to telecommuting and phased-in retirement.

As the balance between work and home life become more difficult to balance and maintain, employees are forced to reconsider their options in work arrangements, sometimes to the point of considering leaving the work force.

Over 80% of Towers Perrin survey respondents offer some element of flexible work arrangements, with flexible hours and reduced work schedules being the two most common corporate policies reported.

Companies who have been slow in recognizing that change is required in order to improve health in today's workplace, could stand to benefit immeasurably by implementing practices to address our modern day stressors.

Towers Perrin concluded by saying that "an organization that is committed to healthy work-life balance not only finds it easier to attract and retain key talent, but is also in a better position to gain higher employee commitment and efficiency."

Plan Administrators' Corner

Reminder: It is important to report salary changes as they occur so that any salary-related benefits such as employee group life insurance, accidental death & dismemberment, and disability benefits are up-to-date. Evidence of insurability may be required for increased amounts of coverage.