



TABLE OF CONTENTS

Important Things to Keep in Mind when Managing your Employee Files.....	2
How to Use this Guide	2
Comprehensive Employee File.....	3
Chronological Employee Files	8
Archiving Procedures	8



Important Things to Keep in Mind when Managing your Employee Files

- Employee files must be confidential and kept in a secure, locked cabinet at all times. Although Managers sometimes keep their own files for their employees, it is strongly recommended that there is one central file for each employee with all the signed originals of official employee documents.
- Only file documents or information that is applicable to the specific employee's employment relationship (and that which the employee has seen before is stored in his/her file).
- Random emails or lists that contain other employees' information, such as lists of bonuses that have other names on them, should not be stored in an employee's file.
- An employee can ask to see his/her file at any time, so it is best to ensure the file is clear of any questionable documentation by not including it in the first place.

How to Use this Guide

We have provided you with two different options on how you can set up your employee files:

1. Comprehensive Employee Files
2. Traditional/Chronological Employee Files

We recommend setting up your employee files using the Comprehensive Employee Files structure with the following sections:

- Personal Information
- Agreements & Compensation
- Performance Development
- Education & Professional Development
- Attendance Tracking
- Other
- Benefits (in a removable file folder)

At the end, we have also provided you with guidelines on how to set up Traditional/Chronological Employee Files as an alternative option, as well as guidelines around archiving procedures.



Comprehensive Employee Files

Sample Employee File Folder – A Checklist

This checklist provides you with the different sections that we recommend putting in your employee folders. In the following sections, we will provide you with basic guidelines and important considerations to help you set up your employee files.

Employee File Checklist	
Personal Information Section A	<input type="checkbox"/> Resume & Application Form <input type="checkbox"/> Personal Information (Contact Details) & Emergency Contacts <input type="checkbox"/> Any Personal Information Updates
Agreements & Compensation Section B	<input type="checkbox"/> Signed Employment Agreement <input type="checkbox"/> Agreement Amendments <input type="checkbox"/> Handbook Acknowledgment Form <input type="checkbox"/> TD 1s & Salary Change Documents
Performance Development Section C	<input type="checkbox"/> Performance Development Reviews <input type="checkbox"/> Any Letters of Recognition
Education & Professional Development Section D	<input type="checkbox"/> Certificates, Diplomas & Degrees <input type="checkbox"/> Professional Development & Training Courses
Attendance Tracking Section E	<input type="checkbox"/> Requests for Vacation <input type="checkbox"/> Requests for Leaves of Absence <input type="checkbox"/> Overtime Records <input type="checkbox"/> Attendance Tracking - Sick Days, etc.
Benefits Section F	<input type="checkbox"/> Enrollment Cards, Change Forms & Correspondence <input type="checkbox"/> Enrollment for Optional Benefits, Salary Increases, etc.
Other Section G	<input type="checkbox"/> Miscellaneous Files <input type="checkbox"/> Exit Interviews, etc.



Personal Information

Section A

It is important to gather personal contact information of an employee in order to establish and maintain an employment relationship. It is necessary to gather emergency contact information in the event an employee encounters an urgent situation and family or friends need to be notified. Awareness of any life-threatening allergies or conditions is also of great importance to an employer.

The following items should be filed in this section:

- Application Form
- Resume
- Personal Contact & Emergency Contact Information
- Change of Personal Contact & Emergency Contact Information

Important Considerations:

- BC's Personal Information Protection Act (PIPA) dictates how and what organizations are allowed to collect from employees in terms of personal information.
- "Personal Information" is information about an identifiable individual and includes employee personal information, but **does not include** contact information or work product information.
 - "Contact Information" is information that enables an individual to be contacted at a place of business, including their name, position, business telephone number, business address, business email or business fax number.
 - "Work Product Information" is information related to an individual's employment or business, which is prepared or collected by an individual or group of individuals as part of their employment or business responsibilities.
- "Employee Personal Information" is personal information about an individual that is collected, used or disclosed solely for the purposes reasonably required to establish, manage or terminate an employment relationship, but does not include information that is not about an individual's employment.
- Employers collect, use, and disclose only information that is required to establish, manage or terminate an employment relationship, such as:
 - To administer compensation, pension, incentive, and departure programs;
 - Enrolling employees for coverage under an employee benefit plan in which they are either a beneficiary or have an interest;
 - To meet statutory, common law, and other regulatory requirements, such as income tax, CPP and EI payments, recording of time off and time worked;
 - To manage the overall workforce, e.g. making staffing and succession decisions regarding employment development, performance evaluations, assessing ability to meet business objectives, etc; and
 - To administer the management of our business operations, such as employee transfers, and business planning.



- See the *Recruitment & Orientation Process* for a sample of an *Employee Personal Information Form*.

Agreements & Compensation

Section B

This section is where you file any agreements with the employee and any compensation details. We strongly encourage the collection of any required signatures. Failure to do so may result in a document being considered invalid.

The following items should be filed in this section:

- Employment Agreement
- Agreement Amendments
- Employee Handbook or Organization Policy Acknowledgment Form
- Salary Change Documents
- Payroll-Related Forms – TD1s, etc.

Important Considerations:

- An Employment Agreement is a legally binding document that includes all details of the working relationship including (but not limited to):
 - Salary
 - Position Title
 - Start Date
 - Hours of Work
 - Benefits
 - Vacation
 - Employee Handbook
 - Probationary Period
 - Termination, Confidentiality, and Non-solicitation Clauses
 - Expiry of Offer
- It's important to that you have a signed Employee Handbook or Policy Acknowledgement Form on file to ensure that you have agreement from your employees that they agree to your organization's policies and procedures. See the *Employee Handbook Template* to develop your own handbook and acknowledgement form.
- TD1 Forms can be found on the CRA website (<http://www.cra-arc.gc.ca/formspubs/frms/td1-eng.html>).

Performance Development

Section C

Performance Development focuses on ensuring that the performance of the employee meets the goals of the position and organization.

The following items may be filed in this section:

- Probationary Reviews



- Annual Performance Reviews
- Letters of Recognition
- Written Warnings or Performance Improvement Plans (PIPs)

Important Considerations

- If an employee's performance review results in a salary change, promotion, etc., changes must be documented in their appropriate section of this employee file, including any letters sent to an employee regarding these changes (i.e. Section B).
- Do not include any notes that the employee has not seen (e.g. handwritten or draft notes, etc.)

Education & Professional Development

Section D

To verify and document employees' knowledge, skills, and abilities, any copies or originals of certificates, diplomas, and/or degrees are stored in an employee's file.

The following documents may be filed in this section:

- University Degree
- Vocational Diploma
- College Certificate
- First Aid Certificate
- CPR Certification
- Driver's License
- Memberships for Professional Associations
- Others

Important Consideration:

- If a specific educational requirement is obligatory in order to perform the position, it must be documented in an employee's file and be maintained throughout his/her employment. An annual review of educational files to ensure validity is recommended (i.e. a CPR certification is only valid for one year).

Attendance Tracking

Section E

It's important to keep records of leaves and/or attendance that your employees take.

Attendance Tracking includes the following:

- Entitled Vacation Days
- Remaining Vacation Days



- Sick Days
- Overtime Hours
- Accrued Paid Time Off
- Any Leave of Absence

Important Consideration:

- All signed “Request for Vacation” forms, approved vacation request e-mails, etc., including the number of days taken, should be included in an employee’s file as verification.
- Employees should be provided with a copy of their Attendance Tracking Sheet or provided a letter annually to confirm and verify that their balance and entitlements are correct.
- Properly tracking employees’ leaves can help you mitigate your liability to pay outstanding balances upon termination, since you will have their balances on hand at all times in their files.
 - For example, if you aren’t tracking your employee’s vacation and haven’t been monitoring how much vacation they’ve been taking, and the employee decides to resign, you are required by law to pay out their vacation balance on their final pay, and this could be more than you anticipated (particularly if you don’t have proper records and can only go by what the employee says). Normally you would just pay normal wages while the employee is on vacation.
 - The burden of proof is always on the employer. If you don’t have accurate balances at the time of termination, employees could argue that they have more vacation, thus resulting in paying out more than you need to, unless you can prove otherwise.

Benefits

Section F

A separate Employee Benefits file is stored in the “Other” section of an employee’s file. In the event an individual other than the employee (i.e. Manager) wishes to see the employees’ file, the separate Benefits folder is to be removed in order to comply with BC’s Personal Information Protection Act (PIPA).

This section would include:

- Benefit Enrollment Cards
- Change Forms
- Correspondence
- Enrollment for Optional Benefits
- RRSP Enrollment Information (if applicable)
- Worker’s Compensation Related Forms (if applicable)

Other



Section G

This section contains a separate Employee Benefits folder and any other miscellaneous files pertinent to establish, manage or terminate an employment relationship.

This section would include:

- Miscellaneous Files
- Exit Interviews, etc.

Important Considerations:

- Exit interviews allow for companies to gather data to improve working conditions and retain employees. It is recommended that companies implement exit interviews if they are not currently doing so.

Chronological Employee Files

This type of employee file would still contain all of the same types of documents in the Comprehensive Employee Files, but you would file each document in chronological order, with the oldest documents on the bottom, and the newer documents at the top.

It is still recommended that you have a separate Benefits folder for each employee filed within each employee's file in the event that someone other than the employee wants to see the file.

It is recommended that you fasten the employee's Emergency Contact Info on the inside of the file folder in the event you need to access this information quickly for an employee medical issue or other emergency.

This is a simpler way to manage your employee files; however, note that this does not allow for easy access to the different types of documents you may need to look access.

Archiving Procedures

It's important to properly maintain your employee files on a regular basis, including archiving any previous employee files. Below are some best practices for you to follow.

Active Employees:

- Keep information from the last five years in the current employee file.
- For any years previous, create an "archive folder" for the employee, containing all previous employee information.

Terminated Employee:

- Any separate Benefit or Archive folders are compiled into the complete employee file.
- If the employee's termination date is within two years of current date, keep their employee records in-house (as legislated under BC Employment Standards Act).



- If the employee's termination date is past two years, then archive the file for a period of seven years (as legislated under the CRA).
- After the file has been in the archives for seven years, the file is to be purged; you do not need to keep anything beyond this point.