

## **Episode 50 - Natalie Schuneman - The Top 5 HR Questions [00:16:05]**

**Intro:** Welcome to Profiles In Prosperity. The leading podcast for residential service contractors, sponsored by Service Roundtable and hosted by David Heimer.

**David Heimer:** Welcome to Profiles In Prosperity, this is David Heimer. For many small business owners, Human Resources is just maddening. All those odd requirements of how you pay, when you pay, benefits, training, OSHA, policy and procedures. And then you got to deal with that odd misfit in your company who just said something that's totally nuts. This stuff will drive you crazy. So today we're talking with Natalie Schuneman, who's an HR compliance consultant with Comprehensive Employment Solutions. Comprehensive Employment Solutions, CES is one of our amazing vendor partners. They make HR easy. We liked them so much that we made their services part of Service Nation Alliance. That is, if you're a member of Service Nation Alliance, you get CES for free, and our members love this service. And one of our members, Corey Hickman said this about CES. I think it's an amazing quote, "they let me grow my business and not worry about HR."

And I think that's what we all want. So here's a bit more about Natalie. She's an HR compliance consultant at CES. She has a degree in HR management. She's been working at CES for two years. She supports the CES clients by answering questions, doing research, and she helps with the employee handbooks. And one of the interesting things that I learned, I think most people don't know, is that you need to review your employee handbooks every year to make sure you're compliant with your state specific legislation. Natalie and her team do that for you, which is an amazing service. For fun Natalie enjoys hanging out with her family, which includes three young kids. She is a fishing aficionado, enjoying all kinds of fishing, including ice fishing. So Natalie Schuneman, welcome to Profiles In Prosperity. You sent me a list of the top five

## **Episode 50 - Natalie Schuneman - The Top 5 HR Questions [00:16:05]**

questions that are most commonly asked by clients and I think this is totally interesting. Could you just talk us through these?

**Natalie Schuneman:** Yeah. You had just mentioned about the handbook and how it is very important. And that's one of the questions that I get is that why is this employee handbook important or why do we need one or why is it essential? And a lot of the time we will have clients actually send their current handbook to us and we'll review it for them and go over everything and discuss with them why it might not be compliant or what they need to add. Employee handbooks are really important because they should be outlined in the expectations and values for the employees. But they can also cover the employer in case any legal issues happen down the line.

And a lot of the time we see that employees genuinely do want to know what's expected of them. And this handbook will lay that out for them. Not only does it give the employee a good indication of what their rights are, but also what their benefits are and what the company has to offer and how they're protected. The company can really help them. And as you mentioned, the handbook should be updated regularly to be compliant with legislation because every couple of months we see something new coming up, either a new law or a new federal requirement. If you have a certain number of employees that you need to include in this handbook to stay compliant.

**David Heimer:** Great information.

**Natalie Schuneman:** And then another question that I'm asked very often is about the employee's final paycheck. Employers sometimes will call in and say that my employee quit, that he still has some company property. Can I hold onto his paycheck until he

## **Episode 50 - Natalie Schuneman - The Top 5 HR Questions [00:16:05]**

returns it? And the answer is no, you can't hold their paycheck from them any longer than what your state requires. There are state specific guidelines, depending when their check is due to them. Some states it will depend on the nature of the separation. So if it's an involuntary termination or the employee decided to quit on the spot, that will determine how long you have to get them that final check. For example, in California, if the employee decides to quit on the spot, you have 72 hours to provide them their paycheck. But if the employer terminates them, they need to give them their check on the spot. Most days it's usually the next regular pay date. But as I mentioned, every state varies.

**David Heimer:** Yeah. I had that very experience in California. You've got to get that check to them right then, which is a little bit of a burden. But if you don't do that, the repercussions are really significant.

**Natalie Schuneman:** They will sometimes fine you if they don't have it on time, or if it is late. But we have seen different problems arise where you can't get ahold of the employee and that's where you can call us and we can talk you through the situation and let you know what you need to do to make sure you're best protected. So you don't run into any of those problems where you're not sending it out on time or they don't receive it in a timely manner.

**David Heimer:** I've heard you guys described as a sophisticated HR department, just a phone call away and you just send them straight to that. Very nice.

**Natalie Schuneman:** So going forward with the final paycheck as well. The other question that I also see regarding them not returning company property is can I just take

## **Episode 50 - Natalie Schuneman - The Top 5 HR Questions [00:16:05]**

it out of their final paycheck? And one would think we don't have the items we can just take it out. But unfortunately, without their consent, you cannot deduct anything from their final paycheck without their approval. So if you have a payroll deduction form that they sign and say, yes, it's okay, I owe you this money then absolutely, you can take it out their final check. But if you can't get a hold of them and they still have company property, you unfortunately cannot take anything out of that final paycheck. How I like to explain it to people is they're technically stealing from you, but that doesn't give you the right to steal back from them. And it kind of puts into perspective that they do legally owe you this money. They have that financial obligation, but how you go about getting that money back there may have to be different steps taken.

**David Heimer:** So as his general approach. If I found somebody was stealing from me and it was really an obvious, clear cut case that this person was stealing from us. And let's say it, and I'll make up a number. The value is \$750. Final check that I'm going to pay them is let's say \$1,500 just to keep it straight forward. So if I were able to take it out of their check, I'd write them a check for 750. So what is the approach that you guys would end up advocating? And I know it's going to vary by state a little bit, but what would you guys say that I should do? What's the general approach?

**Natalie Schuneman:** If someone was stealing directly from the company they should be terminated immediately. But again, taking that from their final paycheck is not recommended because they work, they earn their hours. And do they owe you that money that they stole from you? Absolutely. But you can't take it out of that final check unless they were to say, "yup, I stoled" which I would be surprised if somebody willingly admitted that. But if they do and they sign that payroll deduction form, then you can take it out of their final paycheck. There are variables though.

## **Episode 50 - Natalie Schuneman - The Top 5 HR Questions [00:16:05]**

If you are deducting too much from their final paycheck, that puts them below minimum wage, you also can't do that. So they would actually need to pay you in a different form because you can only deduct so much from their final check. But back to your question, if they did directly steal from you, depending on the dollar amount, you would maybe want to contact the higher authorities to take the matters into getting that money back. But as far as, like I said, taking it from that final check, you shouldn't be doing that.

**David Heimer:** One approach I've heard of is that you sit down with the employee and you say, look, you and I both know that you stole this. And the value of this we know is very clear, \$750. There's two ways that we can proceed. One is you can sign this form that takes it out of your paycheck. The other is, I'll just issue you the check for the full \$1,500 and I'll contact the police and you'll be dealing with the police. Which is better for you? I mean, I know there's going to be variations, but is that a reasonable approach or is that really just sad?

**Natalie Schuneman:** Like I said, it's kind of hard on the situation at hand because if the employee is completely denying it, they're saying I didn't do it, or I'm not sure why you think I stole this money. That's where if you contact the police, you're not sure which way it's going to go. And then they're probably not going to send the money over if they didn't actually take it from the company. This is kind of a loaded question. It's hard to really say what to do unless we have all of those variables and all of the evidence of what's really going on.

**David Heimer:** Fair enough.

## **Episode 50 - Natalie Schuneman - The Top 5 HR Questions [00:16:05]**

**Natalie Schuneman:** It's so complex in a sense.

**David Heimer:** It underscores my basic feeling of why I just dislike everything. I hate to go with HR. There's never a completely straightforward answer.

**Natalie Schuneman:** No, and sometimes we will have clients get frustrated and I completely understand their frustration because we can't always give them a black and white answer because there isn't a black and white answer. And if you go to court, we don't know how it might end sometimes because you could be the first one with this particular situation. And until there's a court case and a final proceeding of what's to happen, we're not a hundred percent sure. And we have our professional opinion that we give to everybody. But like I said, there's just so many variables in different situations in HR. It's so complex.

**David Heimer:** Fair enough.

**Natalie Schuneman:** Another question that is commonly asked is do I have to give a reason when terminating an employee? In HR, that's a lot of it in hiring, terminating, letting people go. And when you let somebody go, it is never a fun process. In the past, a lot of employers were told, no, you don't need to give them a reason. Almost every single state is 'at will' employment. So you can say, we're ending your employment today and here's your final paycheck. I hope the best for you. But unfortunately, now, if you don't give somebody a reason that leaves the employee to come up with a reason. If the separation is ending on bad terms and they want to cause an issue, they could say that they felt they were terminated based on discrimination.

## **Episode 50 - Natalie Schuneman - The Top 5 HR Questions [00:16:05]**

And then that would be the employer's responsibility now to prove that they were not let go based on any form of discrimination. So that's why we say that if you're letting somebody go, you should have a reason that you can provide to them. And also evidence, if it is a performance issue, ensure that you have documentation of that. We spoke with so-and-so on this date, that their performance wasn't where it should be, and it didn't improve and this is why they're being let go. And then when you let them go, you say, it's a performance issue. We talked to you on this date. It hasn't improved, and unfortunately we have decided to separate. And that will keep you more protected if an employee were to try to come back and say they were terminated for a different reason, or they were wrongfully terminated.

**David Heimer:** That's really good information because I have throughout my career heard the first part of what you said, which is that we're an at-will state, you don't have to provide any information. I never felt good about that because I felt like if we were terminating somebody, we should have documented it and we should have a reason. And we always said, and that it's only fair to let them know. But you've provided a very cogent explanation for that. So thank you. That's good.

**Natalie Schuneman:** And like I said, again, that's what we do. If you give us a call and you are unfortunately having to let somebody go and you have a couple of regions, but you're not sure how to approach it. We will definitely help out with wording and any type of verbiage to write down for them. So that way you're protected. And then they are on the same understanding of why they're being let go. The last question that I most commonly get is about criminal history, whether it's during the interview or on the application. Due to the constant changing in legislation and ban the box, employers

## **Episode 50 - Natalie Schuneman - The Top 5 HR Questions [00:16:05]**

shouldn't be putting on their application anything about criminal history. And even during the interview, it's dangerous to ask if they can pass a background check. You can let them know that a background check is part of the process, but actually asking, can you pass a background check is asking about that criminal history, which is now risky because of the changing legislation and different laws in different states.

**David Heimer:** So it's okay to say to them, this position will require a background check. It is not okay to add onto that. Is there any problem with you passing if you can't take it?

**Natalie Schuneman:** Yeah. You can tell him that you can run the background check, but asking if they can actually pass it is not okay. And in states like California, you can't even run a background check until the job offer has been made. And we've actually seen it now going as far as, depending on the offense and how long it's been, if it's been 20 years since they had a felony and it has something that's not relevant to the position that they're working in, you can't say that that's a reason why you didn't hire them. Because the length of time and which to a sense we understand. But it's complex again.

**David Heimer:** Yeah. So let's talk about this for just a second. Because I think this is kind of a big deal for our industry. We have commonly, as you know, in our industry, heating, air conditioning, plumbing, electrical, remodeling people, their jobs are to go into our customer's homes, right? And we're very sensitive about who gets into those homes. It's pretty common in the past that you weren't going to hire a person with a felony in their background and let them into people's houses. Now you're saying the law is going to make that a little bit harder. Let's take the worst-case scenario. This applicant is then convicted of rape. And that would come out on a background check. And frankly, I think anybody in our industry would be a little reluctant to hire that person and send

## Episode 50 - Natalie Schuneman - The Top 5 HR Questions [00:16:05]

them into people's houses.

**Natalie Schuneman:** Right. And when something like that, for someone going into a house and working in the public and things like that, that would be a case where you couldn't have someone like that working for you. Or there may be cases too, where a DUI comes up that was extremely recent and the insurance won't even cover them. Those types of situations would be valid reasons to potentially not hire them. The background check is ran after you offer employment. So you obviously thought they were a good enough person for the position. But running that background check and finding those things out.

Then that's where you need to go on a case-by-case basis of what the situation was, how long ago it was, what happened. Was there an actual conviction? Because again, it's being so complex. If it's still in the process, you technically can't say, no, we're not going to hire you because they haven't even been convicted yet. It's just an allegation or something. So, it's so difficult sometimes for employers to come across these situations. And that's why we're here to help. And if there is anything that we feel is above our knowledge level, we will direct you in the point of a lawyer, not necessarily on the criminal history and things like that, but really any of the questions that we're after. If we feel like you need to contact a lawyer at a certain point, we'll definitely recommend that as well.

**David Heimer:** Well, Natalie. This has been fantastic information. I've learned a lot of stuff that I didn't know, and you've clearly demonstrated why it's so important to have access to high-quality and up-to-date HR information. If somebody wanted to know

## **Episode 50 - Natalie Schuneman - The Top 5 HR Questions [00:16:05]**

more about CES, I'm guessing the best place for them to go would be to your website, which is trustces.com. Is that right?

**Natalie Schuneman:** Yes that's correct.

**David Heimer:** So that's trustces.com. Natalie so much for doing this with me. I look forward to talking with you again in the near future, and I look forward to seeing you at the Service World Expo.

**Natalie Schuneman:** Thank you very much.

**Outro:** We're always looking for good ideas and interviews for our podcasts. If you have an idea, or maybe you think you should be interviewed, just shoot an email to [profiles Prosperity@serviceroundtable.com](mailto:profiles Prosperity@serviceroundtable.com) that's [profiles Prosperity@serviceroundtable.com](mailto:profiles Prosperity@serviceroundtable.com). If you think what we're doing has any value, it would be very helpful if you would give us a great rating on iTunes. Thanks for your support. Hope to see you again soon. Bye.