

How compliant are your HR practices?

Answer 30 quick questions to see where your HR practices are strong and where your business may be exposed to risk.

Company _____ Completed by _____ Date _____

How to answer and score

Select one option per item, based on how things work today. Then add up each section's points on its score line.

☐ **Yes**

Fully in place

2 points
☐ **Unsure**

Partly in place, or not sure

1 point
☐ **No**

Not in place

0 points

1 HR Foundation & Documentation

		Yes 2 pts	Unsure 1 pt	No 0 pts
1.1	Every employee has a signed offer letter on file.	☐	☐	☐
1.2	Your employee handbook has been reviewed within the last year and reflects current California law.	☐	☐	☐
1.3	Signed handbook acknowledgments are on file for every employee.	☐	☐	☐
1.4	Your handbook includes required California policies, such as meal and rest breaks, harassment prevention and paid sick leave.	☐	☐	☐
1.5	Each role has a current job description.	☐	☐	☐
		Section score _____ / 10		

2 Wage & Hour Compliance ⚠️ Highest risk in California

		Yes 2 pts	Unsure 1 pt	No 0 pts
2.1	Every employee is correctly classified as exempt or non-exempt, including meeting California's minimum salary for exempt roles.	☐	☐	☐
2.2	Your timekeeping system records all hours worked, including meal periods.	☐	☐	☐
2.3	Meal and rest periods are provided and tracked under California rules.	☐	☐	☐
2.4	Premium pay is paid whenever a meal or rest period is missed, late or cut short.	☐	☐	☐
2.5	Overtime is calculated using California's daily and weekly rules.	☐	☐	☐
2.6	Final paychecks are issued on time when employees leave, whether they resign or are let go.	☐	☐	☐
		Section score _____ / 12		

3 Payroll & Tax Compliance

	Yes 2 pts	Unsure 1 pt	No 0 pts
3.1 Payroll runs accurately and on a consistent schedule.	☐	☐	☐
3.2 Payroll taxes are filed and paid on time.	☐	☐	☐
3.3 Pay stubs include every item California requires.	☐	☐	☐
3.4 Workers are correctly classified as employees or independent contractors.	☐	☐	☐
3.5 W-2s and 1099s are issued and filed correctly each year.	☐	☐	☐
Section score _____ / 10			

4 Benefits & Leave Management

	Yes 2 pts	Unsure 1 pt	No 0 pts
4.1 Benefit plans are competitive and are administered correctly, including enrollments, changes and required notices.	☐	☐	☐
4.2 Eligibility rules and waiting periods are consistently applied to employees.	☐	☐	☐
4.3 Required California leaves, such as CFRA, pregnancy disability leave and paid sick leave, are tracked accurately.	☐	☐	☐
4.4 Leave requests follow a consistent, documented process.	☐	☐	☐
4.5 COBRA or Cal-COBRA notifications and enrollment processes are in place.	☐	☐	☐
Section score _____ / 10			

5 Risk Management & Workers' Compensation

	Yes 2 pts	Unsure 1 pt	No 0 pts
5.1 An active workers' compensation policy covers every employee.	☐	☐	☐
5.2 Every workplace injury is reported promptly and tracked until the claim is closed.	☐	☐	☐
5.3 Safety policies and employee trainings are documented.	☐	☐	☐
5.4 You have a written Injury and Illness Prevention Program (IIPP).	☐	☐	☐
5.5 You have a written Workplace Violence Prevention Plan, with employee training and an incident log.	☐	☐	☐
Section score _____ / 10			

6 Employee Relations & Training

	Yes 2 pts	Unsure 1 pt	No 0 pts
6.1 Harassment prevention training is current for every California employee and supervisor (required at 5 or more employees).	☐	☐	☐
6.2 Employees receive regular, documented performance reviews.	☐	☐	☐
6.3 Discipline and employee issues are documented consistently.	☐	☐	☐
6.4 Managers are trained on the HR rules they're expected to follow.	☐	☐	☐

Section score _____ / 8

Add up your score

Yes = 2 points • **Unsure** = 1 point • **No** = 0 points
Copy each section score below, then add them together.

1	HR Foundation & Documentation	_____ / 10
2	Wage & Hour Compliance	_____ / 12
3	Payroll & Tax Compliance	_____ / 10
4	Benefits & Leave Management	_____ / 10
5	Risk Management & Workers' Compensation	_____ / 10
6	Employee Relations & Training	_____ / 8

Total score _____ / 60

What your score means

50–60

Low risk

What this means

Your HR foundation is in good shape. California's rules change every year, though, so what's compliant today may not be next year.

What to do next

Resolve any items you marked Unsure, and schedule a review of your HR practices once a year.

35–49

Moderate risk

What this means

You have the basics in place, but gaps like these can lead to wage claims, penalties or employee disputes.

What to do next

Address No and Unsure answers in Wage & Hour and Payroll first, then work through the other sections.

Below 35

High risk

What this means

Several core practices are missing or uncertain, which can expose your business to wage claims, agency penalties and lawsuits.

What to do next

Get expert help soon to review your answers and decide what to fix first, before small issues become costly ones.

⚠ Any No in Wage & Hour? Address it quickly, whatever your total score. Wage and hour claims carry some of the steepest penalties in California.

Talk through your results with Optimum HR

Book a call with a Business Development Manager at optimumhr.net. When you book, request to have one of our HR reps join the call to walk through your answers with you.

 Dedicated HR, payroll and benefits reps

 Under 2-hour average email response

 SHRM-certified HR professionals

 A real person answers when you call



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