

Employee personnel files — what should and shouldn't be included

As any human resources professional will attest, managing every employee's employment life cycle involves a good deal of paperwork. Knowing what to keep and the location of each document is vital to easy retrieval and to maintaining compliance with government and industry regulations.

Setting up employee personnel files is an important part of the recordkeeping process. However, sometimes people mistakenly think of these files as a catch-all for an individual's paperwork. That is not the case.

Rather, understand that general personnel files serve a distinct purpose. While some variance may occur between companies, certain papers commonly belong in these files and some definitely do not.

What to include in an employee's personnel file

Think of an employee's personnel file as a history of the individual's employment relationship with the company. Included material spans from initial application through leaving the organization. New, existing, and past employees all have employee personnel files (with varying content).

When thinking about what belongs in there, the [Society for Human Resource Management](#) suggests the following:

"Consider whether the document would be relevant to a supervisor who may review this file when making employment decisions. Is it related to the employee's performance, knowledge, skills, abilities, or behavior? If so, then the document should be included in the employee's general personnel file."

To that end, items frequently found in such files include:

- Job application
- Cover letter
- Resume
- Recruiting and screening documents
- Educational transcript
- Training records

- Job description
- Job offer letter
- Employment contract
- Noncompete agreement
- Acknowledgment of receipt of the employee handbook (When the company revises its handbook, provide a new version to all employees and have them sign a new confirmation of receipt and understanding.)
- Employment agreements, such as confidentiality
- Agreements related to the use of a company car or business credit card
- Records relating to promotion, demotion, transfer, or layoff
- Annual performance reviews and similar formal performance evaluations
- PIPs (Performance Improvement Plans)
- Letters of recognition and awards
- Disciplinary action, notices, and warnings
- Termination documentation
- Exit interview



Things that should not be in an employee's personnel file

Numerous other employee records exist that employers often file somewhere else. These documents tend to be ones containing sensitive or confidential information. Some records are even prohibited by federal law from being put in a personnel file. For instance, employers cannot include medical information in an employee's general personnel file due to the Americans with Disabilities Act (ADA).

Thus, employers create a variety of other files to hold things that should not be included in an employee's personnel file. Some of the most frequent types of these files are:

Medical records for paperwork related to:

- Personal medical information
- Medical leave of absence requests
- Family and Medical Leave Act paperwork
- Reasonable accommodations
- Doctor's notes
- Accident reports
- Workers' compensation claims
- Health insurance forms

- Beneficiary information
- Emergency contacts

Note that employers who are required to encourage applicants and employees to self-identify as an individual with a disability under [Section 503 of the Rehabilitation Act](#) must keep these self-identification forms separate from all other records, including other medical records.

Also, many employers who provide group health plans are subject to privacy obligations under the federal Health Insurance Portability and Accountability Act (HIPAA). Learn about these requirements at the Department of Health and Human Services' [HIPAA website](#).

Confidential files for records with information such as:

- Date of birth
- Marital status
- Dependent information
- Social security number
- Immigration status
- Reference and background check results
- Requests for employment verification
- Drug test results
- Self-identification (religion, gender, sexual orientation, national origin, race)
- Criminal history
- Child support/garnishments
- Litigation documents

Payroll records for money or pay-related information such as:

- Timesheets
- Tax forms
- Pay authorization forms
- Payroll deduction forms
- Reimbursement receipts
- Paperwork for raises, awards, and bonuses

Again, note that all companies will not organize their various types of files in the same way. That is fine as long as the process is organized, systematic, and — above all — *legal*. Keep a sharp eye on what customarily does not get put in a general employee personnel file vs. what is prohibited by law from being there.

Keep I-9 forms in a separate file

HR experts commonly recommend keeping Form I-9 — also known as the Employment Eligibility Verification Form — away from all other records. Some employers choose to collect them all in a binder and alphabetize them by last name, perhaps maintaining separate binders for current and former employees.

You must keep a completed [Form I-9](#) on file for each employee on your payroll. Only when an employee stops working for you should you calculate how much longer you must keep their Form I-9. Federal regulations state you must retain a Form I-9 for each person you hire for three years after the date of hire, or one year after the date employment ends, whichever is later.



An I-9 form confirms the identity and employment authorization of each employee. While I-9 forms are not filed

with the federal government, authorized officials from the U.S. Department of Homeland Security (DHS), Department of Labor (DOL), or Department of Justice (DOJ) may request to see them. Thus, employers must be ready to produce accurate, complete I-9 forms that prove identity and legal work status.

Storage

Whether to store employee personnel files physically or electronically is up to the individual organization. Safety should be the primary concern regardless of method. Companies that use physical files typically keep them in a locked, fire-proof file cabinet in a dry area accessible to human resources staff and away from unauthorized personnel. Online documents benefit from an encrypted service and careful monitoring of who has access to login information. Additionally, digital files are safer in the unlikely event of flood, fire, or other possible facility damages.

Federal and state laws regarding employee personnel files

As previously mentioned regarding Form I-9, government entities require employers to keep certain documents for specified periods of time. Efficient HR departments keep on top of pertinent federal and state retention regulations. With help from legal, IT, and other departments, they create a written-out [document retention policy](#). This policy clarifies what needs to be saved, where, and for how long. Thoughtful, standardized records management makes the various employee records easier to find and provides credibility in the eyes of outsiders such as auditors and lawyers.

Can workers see their own employee personnel file if they wish?

The answer depends on individual state law. At the present time, “right to view” states — ones that allow employees to see some or all of the documents in their personnel file — are Alaska, Arizona, California, Colorado, Connecticut, Delaware, Florida, Illinois, Iowa, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Nevada, New Hampshire, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Washington, and Wisconsin. Check out the website of the [individual state’s Department of Labor](#) for more information.

Note, though, that the contents of this employee file should not be a surprise to the viewer. Rather, the folder typically contains documents the worker has already viewed. In fact, many of the items should contain a signature from the employee acknowledging they have seen and reviewed them.