



**TRELLIS**

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## **What Should be Included in an Employee Offer Letter?**

***DISCLAIMER: This outline is a general guide. Be sure to contact an attorney if you have questions or specific issues that need to be addressed.***

When you're hiring employees, an offer letter is a great way to send out your official offer of employment to an individual, as well as communicate regarding their benefits, pay, and why you're excited to bring them onto your team. Offer letters include important information for your new hire so they can understand their roles, responsibilities, and other expectations of their employment. Importantly, rather than an employment contract, offer letters can be used for "at-will employees", which are employees that can be terminated or quit at any time (see [this blog post for more details](#)). The offer letter outlines the basic terms of employment without the implication of creating a binding contractual agreement for your new hire that can make it harder to terminate an employee down the road.

Most offer letters should include a few key details, some of which are outlined below:

### **1. Position/Title & Job Description**

Include what role you're offering the individual and what types of responsibilities will be included in their new role. This serves as a great "starting point" so everyone is on the same page as to what will be expected of them. This can also be attached to the offer letter if you have written a more detailed description for a job posting. It is often a good idea here to include some "catch-all" language that explains that the position could change and that you may add additional responsibilities to the employee's role.

### **2. "Not a contract" language**

As explained above, it's important to include language in an offer letter that makes it clear the employment will be "at-will," meaning that the employee and employer (or employee) may terminate the employment at any time and for any reason whatsoever (which is true so long as it's not discriminatory), and that the offer letter does not create an employment contract.

### **3. Compensation**

Include how they will be paid and how much (whether it's hourly pay or a salary), and be sure to include other details you want them to know about this, such as how often they'll be paid (Weekly? Biweekly? Monthly?), and anything surrounding how the pay will be determined. For example, maybe you offer additional bonus incentives paid out at the end of the year or commission pay. You may want to make sure to include language that bonuses are discretionary (if it's true and that's your desire) so that if the company isn't doing well you have the ability to forfeit bonuses.

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#### **4. Benefits**

If you offer your employees benefits, such as health insurance, retirement, or paid time off, outlining these in an offer letter can help incentivize their acceptance. You don't have to include all of the details of the benefits provided to employees but if you don't here, you will still want to have this information available to employees somewhere, such as in an employee handbook ([see our resource about those here!](#)), and make sure you discuss with an attorney what you're looking to offer, as there could be some minimum requirements for time off or other benefits, such as mandatory [paid sick time](#), depending on the employee's location.

#### **5. Whether full-time or part-time and exempt or non-exempt**

In addition to describing the hours the employee will be expected to work, include whether the work constitutes full-time or part-time employment and whether they are an exempt/non-exempt employee under [federal overtime regulations](#). It's important to be aware of the various overtime regulations concerning salaried employees, hours worked, and specific types of employment. Offering a salary does not automatically mean an individual is exempt from being required to be paid overtime for hours worked over 40 hours.

#### **6. Additional attachments and conditions**

You may also want to have the individual sign an additional agreement as a condition of their employment. For example a non-disclosure agreement may protect confidential business information, such as personal client information or trade secrets you don't want them to disclose to others. You can have the employee sign these as a condition of accepting the offer and include information around this in the offer letter. (Note, starting around mid-August 2024, noncompetition agreements will no longer be valid in the US (and you can read our [blog post about that here](#)). Additionally, if the job requires certain additional steps, such as a background check or proof of a required licensure/certification, you will want to make it clear that the offer is conditional on their successful compliance with and/or completion of such additional steps.

#### **7. Start date and schedule**

Having the start date is helpful to communicate to the future employee when you're prepared to bring them on so they (and you!) can start planning. You will also want to communicate (at least generally) what the expected work times are. (Are they being hired for a weekend or weeknight shift? Do you require individuals "in office" 9-5 Monday through Friday? Does the role have any remote/hybrid schedules?) Including details around this can help ensure the employee is on notice about what you're looking for and when they can be expected at work.

#### **8. Terms of Acceptance**

Have the employee sign the offer letter which will show that they understand what is included in the offer and agree to the terms. It's good practice to include a deadline here for them to accept by so that you can plan and know whether you need to offer the position to other candidates.

#### **9. Next Steps**

**Be sure to** read other Trellis resources around [on-boarding employees](#) or [refreshing your employee handbook](#), and remember this list is not exhaustive. Discuss with an attorney what other specifics might be necessary for an offer letter for your unique business and employees.

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