



HUMAN RESOURCES HANDBOOK

For Small Businesses In The Wellness Industry

A practical guide to building and managing a strong team in your wellness business. Includes clear steps, helpful tips, and downloadable tools to support every stage of the employee journey.



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HR Handbook for Small Wellness Businesses

An Expanded Guide for Hiring, Managing, and Supporting a Healthy Team

Introduction

In the wellness industry, your people *are* your product. Whether it's a massage therapist easing tension or a front desk coordinator creating a warm welcome, your team shapes your client experience and your reputation. But even passionate, people-centered businesses can run into legal and operational pitfalls without a clear HR framework.

This guide is specifically tailored to **small wellness businesses**—like yoga studios, massage clinics, fitness spaces, holistic centers, or boutique spas—with limited administrative staff. You'll find legally sound, actionable HR practices that are manageable even for solopreneurs or teams with under 10 employees.

Inside, you'll find:

- Practical steps for hiring, onboarding, payroll, and offboarding
- Federal and state legal considerations
- Tools and templates you can download and customize
- Guidance tailored for businesses with 1–25 employees



1. Hiring & Talent Acquisition

Overview

Hiring sets the tone for your entire operation. A well-structured process helps attract the right candidates, protect your business from legal risks, and build a cohesive culture that supports your mission.

Whether you're hiring a yoga instructor, esthetician, front desk manager, or wellness coach, the process should be inclusive, legally compliant, and values-aligned.

✔ What You Need to Do

1. Define the Role

- Clarify job title and responsibilities
- Identify required qualifications or certifications (e.g., NASM, RYT-200, LMT)
- Specify pay type (hourly, salary, commission, or flat per-session)
- Detail working hours (fixed schedule or client-dependent)
- Note physical or availability requirements (e.g., evenings, weekends)

2. Write a Job Description

- Use inclusive, neutral language (e.g., avoid gendered terms like “ninja” or “rockstar”)
- Include required skills, certifications, and client care expectations
- Highlight your wellness mission, values, and company culture

3. Advertise the Position

- Post on general boards: Indeed, ZipRecruiter, LinkedIn
- Post on wellness-specific platforms:
 - Mindbody Job Board



- [Yoga Trade](#)
- Local Facebook Groups or bulletin boards at other studios

4. Conduct Structured Interviews

- Use a consistent set of questions for every candidate
- Assess both technical skills (e.g., cueing in yoga) and cultural alignment
- Include a trial session, class observation, or shadow day if applicable

5. Perform Background Checks (if applicable)

- Especially for staff working with minors, handling financials, or dealing with sensitive client health info
- Must comply with the Fair Credit Reporting Act (FCRA)

Key Legal Considerations

Law	Applies If...	Notes
Title VII (Civil Rights Act)	You have 15+ employees	Protects against discrimination
Americans with Disabilities Act (ADA)	You have 15+ employees	Includes interview accommodations
Fair Credit Reporting Act (FCRA)	You conduct background checks	Must get written consent



Ban-the-Box Laws	Varies by state	Limits when you can ask about criminal history
IRS Worker Classification Rules	Always	Misclassifying workers as 1099 instead of W-2 is common—and risky

 **Tip**

If you're unsure whether a worker should be a contractor or employee, use the IRS's **20-Factor Test** or consult a payroll provider.

 **Downloadable Resources**

Click below to download these tools:

- [W Role_Definition_Template.docx](#)
- [W Interview_Question_Guide.docx](#)
- [W Contractor_vs_Employee_Checklist.docx](#)



2. Payroll Setup

Overview

Payroll isn't just about issuing checks—it's about building trust and staying compliant. Paying your team accurately, on time, and according to the law protects your business from costly penalties and helps reinforce professionalism.

Whether you're compensating hourly front desk staff, commission-based massage therapists, or class-based yoga teachers, a structured payroll system is essential—even for a team of one.

✔ What You Need to Do

1. Register Your Business for Payroll Compliance

- Obtain an **Employer Identification Number (EIN)** from the IRS (free at [irs.gov](https://www.irs.gov))
- Register with your **state's tax agency** for state withholding and unemployment insurance
- Sign up for the **Electronic Federal Tax Payment System (EFTPS)** to pay federal payroll taxes

2. Choose a Payroll System

Select a payroll solution that automates taxes, filings, and pay stubs:

- *Gusto* – tailored to small businesses; handles W-2s, 1099s, direct deposit
- *QuickBooks Payroll* – good if you're already using QuickBooks for accounting
- *Square Payroll* – easy for hourly and class-based pay setups
- *Justworks* – a PEO that combines payroll, benefits, and HR support

3. Collect Worker Tax Forms & Details

- **W-4** for employees (federal tax withholding)



- **W-9** for independent contractors
- **Direct deposit form** with routing and account numbers
- State-specific tax withholding forms (e.g., CA's DE-4 or NY's IT-2104)
- Signed employment agreement or contractor agreement

4. Set a Clear Pay Schedule

- Choose a consistent pay cycle: weekly, bi-weekly, semi-monthly, or monthly
- Inform your team about pay dates and cutoffs for hours/class submissions
- For variable roles (e.g., massage therapists), decide whether pay is based on:
 - Appointments completed
 - Revenue share
 - Flat per-session rates

5. Track Time & Sessions Accurately

Use software to log hours, classes taught, or sessions booked:

- *Homebase* or *TSheets* for hourly staff
- Class booking platforms (*Mindbody*, *WellnessLiving*) for instructors
- Keep records of:
 - Overtime (if applicable)
 - Tips/gratuities
 - Bonuses or commissions

6. File Taxes & Reports On Time

- Withhold and remit:



- Federal income tax
- Social Security and Medicare (FICA)
- State income tax and disability (if applicable)
- Submit:
 - **Quarterly Form 941** to IRS
 - **State unemployment insurance reports**
 - **W-2s and 1099s** annually

Key Legal Considerations

Law	Applies If...	Details
Fair Labor Standards Act (FLSA)	All employers	Sets minimum wage, overtime, and recordkeeping standards
IRS Withholding Rules	All employers with W-2 employees	Must withhold and pay federal payroll taxes
State Wage & Hour Laws	All employers	Some states require pay stubs, minimum wage, or final pay within specific timelines
Independent Contractor Rules	Always	Misclassification can result in penalties—use IRS 20-factor test or consult a CPA
New Hire Reporting	All employers	States require reporting of new employees within 20 days (varies)






Tip

Avoid paying employees via Venmo, PayPal, or physical cash. These methods aren't payroll-compliant and don't offer the proper documentation needed for tax filings or audits.

Downloadable Resources

Click to download customizable tools:

-  Payroll_Setup_Checklist.pdf
-  New_Hire_Tax_Form_Packet.docx
-  State_Tax_Account_Tracker.xlsx

3. Employee Benefits

Overview

Benefits can be your secret weapon for attracting and keeping great people—even when you're a small team. While you may not be required to offer full healthcare or retirement plans, even modest perks (like class credits or flexible time off) can dramatically boost morale, retention, and team loyalty.

In wellness businesses especially, where part-time or contractor roles are common, flexible and creative benefit offerings can align closely with your values and still stay compliant.

What You Need to Do

1. Decide What Benefits You Can Realistically Offer

- **Healthcare Options:**
 - *QSEHRA* (Qualified Small Employer HRA) to reimburse for individual insurance



- *Group health plans* via brokers, healthcare.gov, or PEOs (e.g., Justworks)
- *Health stipends* (taxable but appreciated)
- **Wellness Perks:**
 - Free or discounted classes, massage, skincare, or coaching
 - Access to equipment or retail discounts
- **Paid Time Off (PTO):**
 - Optional federally, but required in some states
 - Can offer flexible vacation time, studio holidays, or mental health days
- **Sick & Family Leave:**
 - Required in states like CA, NY, WA—even for small employers
 - Family leave: Check state Paid Family Leave programs (e.g., NY PFL, CA PFL)
- **Other Options:**
 - Flexible scheduling or remote admin work
 - Performance bonuses or referral rewards
 - Continuing education or certification reimbursement

2. Write Out a Simple Benefits Policy

- Use a clear, one-page summary of what you offer
- Note eligibility (e.g., full-time only, 30+ hrs/week)
- Include how to access or request benefits

3. Communicate Your Offerings Clearly

- During onboarding: Include in offer letters or hiring packages



- In your employee handbook: Include a “Benefits” section
- Keep current: Update staff when benefits change or improve

 **Key Legal Considerations**

Law / Rule	Applies If...	Details
COBRA (federal)	20+ employees	Must offer continued coverage after termination
Mini-COBRA (state)	Often <20 employees	Applies in states like NY, CA, NJ
FMLA	50+ employees	Not likely to apply to small wellness teams
QSEHRA	<50 employees, no group health plan	Tax-free reimbursements for health insurance
State Paid Sick Leave	Varies by state	Required in CA, NY, WA, MA, and more
Wellness Benefit Taxation	Always	Perks like massage or classes are taxable unless medically necessary





You don't need to offer everything right away. Start small—like free classes or a few paid sick days—and grow as your business allows. What matters most is consistency, clarity, and follow-through.

Downloadable Resources

Click to download customizable tools:

- [W Small_Team_Benefits_Planner.docx](#)
- [X PTO_Sick_Leave_Tracker.xlsx](#)
- [X Benefits_Eligibility_Matrix part time vs. full time.xlsx](#)

4. Legal Compliance

Overview

Legal compliance isn't just for big corporations. Even a solo studio with one front desk employee needs to follow employment laws. From workplace safety to discrimination protections, keeping compliant protects your business from fines, lawsuits, and reputation damage—and builds trust with your team.

What You Need to Do

1. Post Required Labor Law Notices

- Federal and state posters must be visible in common areas (break room, studio lobby, etc.)
- Required posters include wage laws, OSHA, EEOC, and paid leave rights (if applicable)
- Use free downloads or services like LaborLawCenter

2. Maintain Accurate Records



- Keep personnel files for each employee with:
 - I-9 form (employment eligibility)
 - Job offer or contract
 - W-4 or W-9
 - Emergency contact info
- Track:
 - Hours worked and overtime
 - Pay stubs and wage adjustments
 - Disciplinary actions, warnings, or reviews

3. Understand and Follow Major Employment Laws

- Wage & hour laws (FLSA): pay minimum wage, overtime, and track hours
- Anti-discrimination (EEOC): treat applicants/employees fairly regardless of race, sex, age, etc.
- Safety & health (OSHA): clean, safe environments—even in wellness spaces
- Health privacy (HIPAA): applies if you handle health data or insurance (wellness coaches, medical massage)



Key Legal Considerations

Law	Applies If...	Details
FLSA	All employers	Covers minimum wage, overtime, and child labor rules





I-9 & E-Verify	All employers	Verify employment eligibility for all hires
EEOC Laws (Title VII)	15+ employees	Protect against discrimination; best practice for all sizes
HIPAA	You offer health services or coaching	Protects client health data—ensure confidentiality
OSHA General Duty Clause	All employers	Must provide a safe, clean workspace

Tip

Make compliance part of your culture—not just paperwork. For example, a safety-first policy for massage therapists or a respectful client conduct policy helps reinforce values while staying legal.

Downloadable Resources

-  [Legal_Compliance_Checklist.pdf](#)
 -  [HIPAA_Privacy_Basics.pdf](#)
-

5. Onboarding & Workplace Policies

Overview

Onboarding is your first chance to welcome and train new team members. A consistent, warm, and structured onboarding builds loyalty and reduces turnover. For wellness businesses, policies on class etiquette, social media, and safety are especially important.



✔ What You Need to Do

1. Prepare a New Hire Packet

- Include:
 - I-9 and W-4 forms
 - Direct deposit form
 - Confidentiality agreement
 - Code of conduct or culture agreement

2. Create and Share an Employee Handbook

- Include:
 - Workplace policies (dress code, phone use, safety)
 - Class cancellation & substitution protocols
 - Social media boundaries and usage expectations
 - Anti-harassment & reporting procedures

3. Set Up Orientation

- Tour of the studio and explanation of emergency exits, supplies, lockers
- Overview of your business mission and values
- Introduction to team, scheduling tools, and communication channels
- Schedule a check-in at 1 week, 30 days, and 90 days

4. Verify Required Certifications

- Ask for copies of:



- CPR/First Aid (most fitness roles)
- Yoga teacher certification (e.g., RYT-200)
- Massage therapy licenses (state-dependent)




Key Legal Considerations

Law	Applies If...	Details
I-9 and W-4	All hires	Required to verify identity and set up taxes
Anti-harassment laws	1–15+ employees depending on state	CA, NY, IL require written policies and training
Certification & licensing	Always	Must ensure practitioners have valid credentials

Tip

Use a welcome checklist so no onboarding step is missed. Even part-time hires should get the same experience—it sets expectations and shows professionalism.

Downloadable Resources

-  Sample_Wellness_Studio_Handbook.pdf
-  New_Hire_Onboarding_Checklist.docx
-  Certification_License_Tracker.xlsx



6. Ongoing HR & Performance Management

Overview

Ongoing HR keeps your team running smoothly. Regular feedback, recognition, and conflict resolution are essential in wellness environments where emotional intelligence and client interaction are key. These practices help you retain staff and elevate the client experience.

✔ What You Need to Do

1. Set Regular Check-Ins

- Weekly or monthly one-on-one conversations
- Discuss performance, morale, scheduling concerns
- Document key takeaways and follow-ups

2. Conduct Periodic Reviews

- Do a formal review every 6 or 12 months
- Include peer feedback and client reviews if relevant
- Set goals: e.g., improve class retention, earn new certification

3. Address Issues Early

- Encourage open communication
- Document incidents or performance concerns
- Use a verbal warning → written warning → final step process

4. Recognize and Reward Good Work



- Celebrate positive reviews, client milestones, or studio anniversaries
- Consider small bonuses, perks, or “employee of the month” programs



Key Legal Considerations

Law	Applies If...	Details
Retaliation protections (EEOC)	15+ employees	Don't punish employees for reporting concerns
State meal & break laws	Varies	CA requires breaks for even 1 employee
Documenting performance	Always	Protects you in case of termination or dispute

Tip

Keep notes from every check-in, even if informal. If you ever need to discipline or terminate someone, this documentation helps protect your business.

Downloadable Resources

-  Performance_Review_Form.pdf
-  Incident_Warning_Report_Template.pdf



7. Termination & Offboarding

Overview

Endings matter. Whether someone quits, retires, or is let go, a respectful and legally sound process protects your business and reputation. In wellness businesses where clients often bond with staff, how you handle departures reflects your values.

✔ What You Need to Do

1. Conduct an Exit Interview

- Ask what worked and what didn't
- Capture feedback about management, schedule, culture
- Optional but valuable for improving retention

2. Issue Final Pay Promptly

- Must comply with your state's deadline (some require same-day payout upon termination)
- Include unpaid wages, PTO (if policy allows), commissions

3. Collect Studio Property

- Keys, iPads, uniforms, scheduling tools, etc.
- Ensure any tech access (email, Mindbody, payroll) is revoked

4. Document the Process

- Write a summary of why they left
 - If you initiated it, include records of prior performance issues or warnings
-






Key Legal Considerations

Law	Applies If...	Details
Final paycheck laws	All employers	CA, NY, MA have same-day or short-deadline rules
Wrongful termination rules	All employers	Avoid firing without documentation or due process
Mini-COBRA (state)	<20 employees	Required in some states for health insurance continuation

Tip

Don't terminate on the spot unless someone is a safety risk. If it's for performance or conduct, follow a clear, documented disciplinary process first.

Downloadable Resources

-  [Offboarding_Checklist.docx](#)
-  [Final_Pay_Calculator.xlsx](#)
-  [Termination_Documentation_Template.pdf](#)

8. HR Tools & Software Options

Overview



HR doesn't have to be overwhelming. The right tools help automate repetitive tasks like payroll, scheduling, and paperwork. For wellness businesses, look for tools that integrate class booking, client communication, and employee time tracking.



✓ Recommended Tools by Function

Function	Recommended Tools
Payroll & Benefits	Gusto, Justworks, QuickBooks Payroll
Time Tracking & Scheduling	Homebase, TSheets, Mindbody, WellnessLiving
Hiring & Onboarding	Workable, Breezy HR
Employee Communication	Slack, Google Workspace
HR Documents & Templates	Zenefits, BambooHR, Mineral HR

Tip

Start simple. Use free or low-cost plans, and upgrade as your team grows. The best software is the one your team actually uses consistently.

Downloadable Resources

-  HR_Tech_Comparison_Sheet.xlsx
-  Wellness_HR_Tool_Stack_Guide.pdf



9. Resources & Support

Overview

No one expects you to be an HR expert overnight. But there are reliable places to get help—especially tailored to small wellness businesses. Knowing where to go for guidance can save you time, stress, and money.

Where to Get Help

1. Government Resources

- [IRS Small Business Portal](#)
- DOL Compliance Assistance
- Search “[Your State] Department of Labor” for local rules



2. Professional Help

- **HR consultants** (Upwork, Bambee) for policy review, compliance setup
 - **Employment attorneys** (LegalZoom, UpCounsel) for sensitive situations
 - **Accountants/bookkeepers** (Bench.co, local CPAs) for payroll, contractor classification
-

Tip

Build a mini advisory team: an HR advisor, a bookkeeper, and a lawyer. Even just a few hours of help each year can prevent big mistakes.

Downloadable Resources

-  Wellness_HR_Help_Resource_List.pdf
-  Questions_to_Ask_When_Hiring_HR_Help.pdf



HR That Supports Your Wellness Business

Running a small wellness business means wearing many hats—and HR is one of the most important. This handbook has covered the basics you need to hire great people, stay legally compliant, and create a workplace that reflects your values.

You don't need a big team or a full-time HR manager to set things up right. A few simple systems, clear policies, and good communication go a long way in building a healthy, respectful work environment. As your business grows, these foundations will make it easier to expand without stress or surprises.

Most of all, remember that HR is about people. Supporting your team—just like you support your clients—helps everyone do their best work. Revisit this guide when you bring someone new on board, update your policies, or need a refresher.

Here's to building a thriving, mindful workplace—one step at a time.
