HansonBridgett

The Family Office as Employer

A Practical 90-Day Employment Action Plan for Family Offices

By Ryan Eddings and Jennifer Martinez

Partners, Hanson Bridgett LLP

September 2026

California's law firm — statewide roots, wide-ranging impact.

Contents

Executive Summary 3

I. Days 1–30: Identify the Workforce 3

II. Days 31–60: Fix the Documents and Practices 5

III. Days 61–90: Establish the Operating Rhythm 7

IV. The 90-Day Plan Is a Starting Point, Not a One-Time Exercise 9

Executive Summary

Family offices handle a wide variety of sophisticated matters — investments, trusts, tax planning, entities, insurance, philanthropy, and succession planning. Yet employment relationships within the family office are often personal and fluid. A trusted assistant may gradually become a household manager. A caregiver may begin driving, handling household administration, or coordinating other staff. An employee hired by one entity may perform services for several family members, residences, trusts, or operating entities. A family member may begin directing employees without any formal change to reporting relationships. Over time, a family office can develop a substantial workforce without ever consciously designing an employment system.

For many family offices, a heavily institutionalized HR structure would be unnecessary and inconsistent with the culture of the organization. Instead, they may be better served by a limited, deliberate employment infrastructure appropriately tailored to the family: clear enough to identify responsibility, sophisticated enough to manage legal and operational risk, and flexible enough to preserve trusted relationships.

Below is a 90-day review that will accomplish much of that work.

I. Days 1–30: Identify the Workforce

Develop an understanding of the current environment. Before revising policies or employment agreements, the family office should know who is working, for whom they are working, who directs them, and what access they possess.

A. Build a Worker Map

Inventory everyone performing services within the family enterprise. The list should extend beyond employees appearing on the family office payroll and may include:

- Family office executives and administrative employees
- Household and estate staff
- Caregivers and personal attendants
- Drivers and security personnel
- Ranch, vineyard, aircraft, yacht, or property employees
- Independent contractors and consultants
- Workers supplied through household, caregiving, staffing, or security agencies

- Family members receiving compensation for services
- Recurring service providers whose relationship may function more like employment than a conventional vendor relationship

For each worker, identify: (1) the legal employer; (2) payor; (3) payroll platform; (4) supervisor; (5) work location(s); (6) expected schedule; (7) classification (exempt or non-exempt); (8) rates of pay; (9) insurance coverage; and (10) the family members or entities receiving the worker's services.

This exercise often uncovers issues that are difficult to see when workers are considered individually. One entity may issue the W-2 while a different family member controls the employee's daily work. An employee may routinely work at several residences. A household employee may also perform work for a foundation or operating company. An individual treated as an independent contractor may function in practice as a regular member of the staff.

Both federal and California law look beyond labels when determining whether an employment relationship exists.[1] California's domestic-worker statutes likewise define a domestic-work employer to include persons who directly or indirectly employ or exercise control over a domestic worker's wages, hours, or working conditions.[2]

B. Track Each Worker's Access

Once the players are known, the family office should identify what each worker can access. That inquiry may include residences, children, medical information, financial accounts, investment information, passwords, personal devices, vehicles, security systems, travel itineraries, art or collection information, estate-planning documents, and privileged communications.

Access frequently expands over years because an employee is trusted. The review asks whether the employee's current access still matches the employee's current responsibilities (which can impact classification) and whether the family office could reliably terminate that access if circumstances changed.

C. Identify Unusual Working Arrangements

The first 30 days should also flag employees who:

- Work in multiple states

[1]See 29 U.S.C. § 203(d)–(g); Martinez v. Combs, 49 Cal. 4th 35, 64 (2010) (explaining California wage-order definitions of employment); Rutherford Food Corp. v. McComb, 331 U.S. 722, 730 (1947) (looking to the circumstances of the working relationship rather than isolated technical concepts).
[2]Labor Code § 1451(c)(1).

- Live at a residence
- Regularly work overnight
- Travel with family members
- Remain on call
- Work for multiple family members or entities
- Use personal devices for significant work
- Have experienced substantial changes in duties since hiring

These are the workers most likely to require closer review during the second phase.

Deliverable at Day 30

A current worker map showing who works for whom, who supervises each worker, where the work occurs, how the worker is classified and paid, and what sensitive information or property the worker can access.

II. Days 31–60: Fix the Documents and Practices

Once the family office understands the existing workforce, the second month should focus on correcting the highest-priority issues.

A. Update Roles and Employment Documents

Key employees should have a written role definition that accurately reflects their current responsibilities. At a minimum, the family office should consider documenting:[3]

- Legal employer
- Reporting relationship
- Essential duties
- Primary work locations
- Expected schedule
- Exempt or nonexempt status
- Compensation and bonus eligibility

[3]Many of these items are already required by California's Wage Theft Prevention Notice, Labor Code § 2810.5, available at https://www.dir.ca.gov/dlse/lc_2810.5_notice.pdf

- Expense practices
- Travel expectations
- Confidentiality obligations
- Responsibility for work requested by other family members or entities

As positions often evolve organically, this is an opportunity to ensure assumptions align with reality. A personal assistant who now manages vendors, supervises household employees, coordinates travel, drives family members, and handles financial records may bear little resemblance to the position originally described in an offer letter.

Worker classification should be reviewed against actual duties rather than title or salary alone. California, for example, applies the statutory ABC test to many employee-versus-independent-contractor questions, subject to statutory exceptions.[4]

B. Establish Basic Wage-and-Hour Compliance

Nonexempt employees should have a workable method for recording all time worked, including remote work, after-hours communications, travel-related duties, weekend assignments, and work performed for multiple family entities. This is especially true for nonexempt employees paid on a piece-rate basis or a salaried nonexempt basis.

The same review should address the policies to overtime, meal and rest periods where applicable, bonuses, expense reimbursement, live-in arrangements, overnight work, and travel.

Family offices should resist informal workarounds created for convenience. Paying a salary does not by itself make an employee exempt, and longstanding practices do not eliminate statutory recordkeeping requirements.[5]

C. Protect Confidentiality

Confidentiality agreements remain important, particularly for employees with access to family, financial, medical, child-related, estate-planning, security, or travel information. Effective protection also depends on operational controls.

[4]Labor Code § 2775(b)(1); Dynamex Operations W., Inc. v. Superior Court (2018) 4 Cal.5th 903, 955–56 (adopting ABC test for wage-order claims).
[5]See Labor Code § 1174(d); 29 C.F.R. § 516.2.

The family office should consider separate work accounts, password-management systems, appropriate device controls, least-privilege access, secure messaging protocols, document-retention rules, and clear return-of-property requirements.

California confidentiality provisions require careful drafting because employees retain statutory rights involving wage and working-condition discussions, whistleblowing, and other protected activity, and California broadly restricts employment noncompetition agreements.[6]

D. Align Employment Practices with Insurance and Third-Party Arrangements

Payroll, workers' compensation coverage, household and umbrella policies, staffing-agency agreements, indemnification provisions, and actual working relationships should tell the same story.

If an agency supplies a caregiver but the family controls the worker's schedule and duties, the family office should understand the allocation of employment responsibility and insurance coverage before a dispute or injury occurs.

Deliverable at Day 60

Updated documents and practices for the employees and relationships presenting the greatest wage-and-hour, confidentiality, classification, insurance, and operational risk.

III. Days 61–90: Establish the Operating Rhythm

The final month should convert the first two months' work from a project into a sustainable system.

A. Decide Who Has Authority

Family offices should define who is responsible for recurring employment decisions, including:

- Hiring
- Compensation and bonuses
- Payroll
- Performance management and discipline
- Leave and accommodation
- Harassment and other complaints

[6]See Bus. & Prof. Code §§ 16600, 16600.1, 16600.5; Labor Code §§ 232, 232.5, 1102.5; Edwards v. Arthur Andersen LLP, 44 Cal. 4th 937, 945–50 (2008) (construing California's prohibition on employment restraints).

- Workplace investigations
- Separations

This is especially important when employees interact with several family members. An employee should know who can change duties, approve overtime or expenses, address a complaint, or communicate a termination decision.

Defined authority also protects family members from inadvertently creating employment problems by giving inconsistent directions or making commitments outside the intended decision-making structure.

B. Train the People Who Actually Manage Employees

Training should reach beyond the person formally designated as HR. Estate managers, household managers, chiefs of staff, executive assistants with supervisory responsibility, and family members who regularly assign or direct work should understand the basic rules governing their role.

The training can be short and practical: who may hire or terminate, where complaints should go, how overtime is handled, when counsel or HR should be involved, what should be documented, and which decisions should not be made informally.

C. Create Onboarding and Offboarding Checklists

Employment transitions are an unfortunate reality and they create moments of elevated risk.

An onboarding checklist can address employment documents, payroll, timekeeping, background screening where appropriate, immigration verification, confidentiality, devices, system access, keys, vehicles, security credentials, and reporting relationships.

The offboarding checklist should reverse that process deliberately. Devices, passwords, accounts, keys, credit cards, vehicles, residence access, security systems, documents, and confidential information should all have identified owners responsible for retrieval or termination of access.

For employees who have worked closely with a family for many years, thoughtful offboarding can protect both the relationship and the family.

D. Calendar Recurring Reviews

The family office should schedule an annual review of:

- The worker map
- Job descriptions

- Exempt classifications
- Contractor relationships
- Timekeeping
- Bonus practices
- Multistate work
- Insurance alignment
- Confidentiality and system access

That review need not become a major annual undertaking. Its purpose is to catch gradual changes before an arrangement that made sense several years ago becomes difficult to defend or administer.

E. Coordinate Across Advisors

Employment issues in family offices frequently overlap with entity structure, taxation, insurance, estate planning, immigration, privacy, cybersecurity, and fiduciary responsibilities.

The employment lawyer, private-client lawyer, accountant, insurance advisor, cybersecurity professional, and family office executive do not need to participate in every personnel issue. They should know when an issue crosses into their respective areas and who is responsible for coordinating the response.

Deliverable at Day 90

Defined decision-makers, trained managers, clear onboarding and offboarding procedures, and a calendar for periodic review.

IV. The 90-Day Plan Is a Starting Point, Not a One-Time Exercise

A family office's employment infrastructure should be revisited when the organization changes materially.

Useful triggers include: (1) significant headcount growth; (2) acquisition of a residence or work location in another state; (3) a new family member beginning to direct employees; (4) a new caregiving arrangement; (5) a contentious separation or threatened claim; (6) a harassment or wage complaint; (7) a material privacy or cybersecurity event; or (8) the creation of a new entity, foundation, ranch, vineyard, aircraft, or household operation.

These events often change who employs workers, which laws apply, who possesses sensitive information, and who has authority to act.

Family offices do not need an elaborate corporate HR system to manage those risks effectively. A clearer structure can remain personal, discreet, and flexible. The essential components are relatively modest — know who works for whom, document important roles and expectations, maintain basic wage-and-hour controls, define information access, establish reporting channels, and plan carefully for employment transitions.

> *Discretion, loyalty, privacy, continuity, and trust are central values for many family offices.*

HansonBridgett

Hanson Bridgett LLP is an Am Law 200 law firm with more than 200 attorneys and offices across California, proudly serving clients nationwide. The firm supports family offices across estate and tax planning, employment, litigation, real estate, and intellectual property, giving families a single point of coordination across practices.

OFFICES

Sacramento · San Rafael · Walnut Creek · San Francisco · Fresno · Los Angeles · Costa Mesa · San Diego

hansonbridgett.com

This publication is provided for general informational purposes only and does not constitute legal advice. Readers should consult with legal counsel regarding their specific circumstances.