

Background Checks for Employment

Why do employers want to check your background or even your credit? It could be for one of several reasons. For instance, if government security clearances are required for the job you are interviewing for, an employment background check may be required. For positions involving accounting or financial responsibilities, credit reports can provide insight into how financially dependable you are.

Find out more information on why background checks are a common part of the hiring process, what information is included in background checks, and what your rights are.

What is a Background Check?

A background check is a review of a person's commercial, criminal and (occasionally) financial records. Background checks are quite common; in fact, some surveys show that up to 70 percent of employers require employees to undergo background checks before hiring.

Why Employers Conduct Background Checks

There are many reasons why background checks are commonly used in hiring for all sorts of positions, from hourly to staff.

The employer may want to make sure you are telling the truth. It's estimated that up over 40% of resumes can contain false or tweaked information, so, employers want to ensure that what they are getting in an employee is what they were promised. (Once hired, an employer may tout an employee's qualifications — if it is revealed that these qualifications are false, it reflects poorly on the employer.)

The employer may perform a background check to find out whether you actually graduated from the college you said you did or to confirm that you worked at your previous employer(s) during the time stated on your resume or your job application.

These checks can also be used to protect employers from liability issues — if employees behave poorly, employers can sometimes be held responsible for negligence, or failing to do the research required. That is, if a bus company hires someone with a poor driving record, they can be held responsible if the driver gets into a crash; the expectation is that a bus company should check the driving records of any candidate before hiring.

Employers Must Ask Before Doing a Background Check

Before doing a background or credit check, employers must request and receive written permission from you to do the check. If anything in the reports leads to the company deciding against hiring you, they are required to inform you and give you a copy of the report. These rules are regulated by the Federal Trade Commission (FTC) and are meant to protect you. For instance, perhaps something that

turns up in your background check is incorrect—having access to the report will allow you to get in touch with the necessary organizations and agencies to correct the error.

While some information on your background check may be of legitimate concern to employers, these checks cannot be used as an excuse to discriminate. Employers must request background checks of all applicants equally—that is, it would be illegal to check the criminal records of male job candidates but not female.

And, employers cannot use background information to discriminate. Contact the Equal Employment Opportunity Commission (EEOC) if you suspect the background check was used in a discriminatory way. It is discrimination to make a hiring decision based on race, national origin, sex, religion, disability, genetic information, and age (for candidates 40 or older).

Employment Background Check Timing

Many employers conduct background and reference checks during the hiring process, prior to offering a candidate the job. However, in some cases, a job offer may be contingent upon the results of the background check. That means the offer could be withdrawn if the organization finds negative information.

If the checks aren't finished before your start date, you could lose your job. Reference checking firm Allison and Taylor reports that "Many employment agreements and contracts include a stipulation that says the employer can hire you with a 90-day probation period. During this time, they will not only evaluate your job performance but, in some instances, will do background and reference checks. During this time, if the results are unsatisfactory, they have the legal right to fire you."

Information Included in a Background Check

Background Check Information

What's included in an employee background check? The Fair Credit Reporting Act (FCRA) sets the standards for screening for employment. The FCRA defines a background check as a consumer report. Before an employer can get a consumer report or run a credit check for employment purposes, they must notify you in writing and get your written authorization. In some states, there are limits on what employers can check.

Employment History Verification

Your employment history includes all the companies you have worked for, your job titles, and the dates of employment and salary earned at each of your jobs.

An employment history verification is conducted by an employer to confirm that the employment information included on your resume and/or job application is accurate.

How Employers Conduct Background Checks

Employment background checks are being conducted by employers more frequently than in the past. That's for several reasons, including concerns over negligent hiring lawsuits. Here's why and how employers conduct background checks for employment purposes.

Job Applicant Credit Checks

It's becoming more common for companies to run credit checks on job applicants as well as employees being considered for promotion. Here's advice on what information companies are allowed to check, how to handle a credit check, and how it might impact hiring.

Drug and Alcohol Tests

There are several types of drugs and alcohol tests that candidates for employment may be asked to take. Hiring can be contingent upon passing pre-employment drug tests and screenings. Review information on the types of tests used to screen for drug use, what shows up in the tests, and how employment drug screening can impact hiring decisions.

What Employers Can Say About Former Employees

One of the questions I get asked frequently is "What can an employer say about former employees?" Some job seekers presume that companies can only legally release dates of employment, salary, and your job title. However, that's not the case.

Criminal Records and Background Checks

Laws vary on checking criminal history depending on your state of residence. Some states don't allow questions about arrests or convictions beyond a certain point in the past. Others only allow consideration of criminal history for certain positions.

What's In Your Credit Report

What's in your credit report and why is it relevant to employment? Information available from your credit report can hamper your job search and can be grounds for knocking you out of contention for a job. Especially when it comes to jobs where money and financial information is involved, bad credit can be an issue.

Why Employers Check Credit History

Employers can, with the permission of the job applicant or employee, check credit history. Here's the credit information that is available to employers.

Employment Verification

When hired for a new job, employees are required to prove that they are legally entitled to work in the United States. Employers are required to verify the identity and eligibility to work for all new employees. An Employment Eligibility Verification form (I-9 Form) must be completed and kept on file by the employer.

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