

Better Call Sarah: Reducing Liability While Hosting a Holiday Event

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By Sarah Goodman



Dear Sarah,

Planning our holiday party and I'm a little 'shaken' with concern—what are my liabilities if employees overindulge? Am I responsible if someone gets hurt, causes a scene, or drinks and drives? Should I be worried about potential legal fallout, or is it on them to know when to stop? How can I keep the fun flowing without the liability risk?

Cheers (responsibly),
HR in a Holiday

Dear HR in a Holiday,

While employees are generally responsible for their own actions, as an employer, you still have a duty to provide a safe environment and take reasonable steps to manage risks. Even without alcohol, social gatherings can lead to issues such as bullying, sexual harassment, other misconduct, and accidents and injuries. If alcohol is provided at your holiday party, however, you could be held liable if an employee's intoxication leads to injury, damage, or misconduct, particularly if it occurs during or shortly after the event. For example, an impaired employee causing a workplace accident or an incident of harassment could result in legal exposure for the company.

Additionally, employers need to be aware that providing alcohol brings with it legal liability—similar to what your local tavern owner faces. Courts have frequently held event sponsors responsible for tragedies involving impaired individuals, particularly when those individuals are involved in accidents. The entity providing the alcohol takes on some risk for the individual's actions while intoxicated, including the possibility that alcohol may end up in the hands of minors.

While it's impossible to eliminate all risk, there are best practices employers can follow to reduce liability at holiday events. These aren't meant to be a buzzkill but are steps to ensure that your event is safe and fun while limiting legal exposure.

- **Consider Not Providing Alcohol at All:** One viable risk management option is to simply avoid alcohol at company functions. While some employees might miss out on the drinks, offering gifts or prizes instead can offset this. Especially in events where children are present, excluding alcohol can prevent minors from gaining access and create a more relaxed, enjoyable atmosphere for everyone.
- **Provide Plenty of Non-Alcoholic Options:** straightforward and effective way to manage risk is by providing a variety of non-alcoholic beverages. Avoid putting your employees in a situation where their only options are alcoholic drinks. Offer a selection of sodas, iced tea, lemonade, sparkling water, and even a signature mocktail to encourage moderation and create

an inclusive atmosphere for everyone.

- **Use a Professional Caterer or Bartender:** For more formal or elaborate events, consider using a third-party vendor to manage alcohol service. Professional servers are trained to identify intoxicated individuals and can limit consumption. If you go this route, make sure to carefully review the vendor contract, request liability insurance, and consider a “hold harmless” agreement to protect your business.
- **Plan for Safe Transportation:** One of the most important considerations is ensuring safe transportation home for employees who may overindulge. Consider arranging taxis, ride-sharing, or designated drivers to help those who may not be in condition to drive. It’s also helpful to have key members of management refrain from drinking and monitor the event to spot potential problems early.
- **Set Clear Expectations for Behavior:** Let employees know that, although alcohol is provided, they’re expected to act professionally. Remind everyone that they are still representatives of the company at the event, and inappropriate behavior won’t be tolerated. Make it clear that if someone’s actions put others at risk (such as driving while intoxicated), the company will take steps to ensure their safety—including potentially involving law enforcement if necessary.
- **Limit Alcohol Consumption:** Consider implementing a drink ticket system to limit the amount of alcohol each attendee can consume. A couple of drinks per person are generally sufficient for a fun evening. This can help prevent overindulgence and manage the alcohol flow in a controlled manner.

By implementing these precautions, you can significantly reduce the chances of liability while hosting a fun and safe holiday event. Consulting with legal counsel to ensure your event policies are solid and well-documented is also a smart move. Ultimately, the goal is to create an enjoyable and memorable event without putting the company at risk. So, to answer your question: yes, employers can be held responsible for incidents that occur during or as a result of company-sponsored events. However, with proper planning, clear communication, and safety measures in place, HR can minimize the risks while still fostering a festive and inclusive environment.