

## Shift Premium Pay

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**Policy**

The State shall provide additional compensation for employees who are regularly scheduled to work on either an evening or night shift, or on a weekend shift for certain classes when determined to be necessary to be competitive with the labor market. Shifts will be defined within the agency based on operating requirements and work environment.

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**Covered Employees**

This policy covers all full-time and part-time (half-time or more) permanent, probationary, or time-limited appointments.

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**Shift Pay Rates**

The Office of State Human Resources and the agency shall determine the classes eligible and rates of shift premium pay based on documented survey data of prevailing practices in the applicable labor market. Rate changes shall be reported to the first meeting of the State Human Resources Commission following the change.

Advisory Note: The current rate of 10% of the regular hourly rate shall remain in effect until changed by the Office of State Human Resources.

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**Hours Eligible**

A shift is considered to be 8 hours or more, pro-rated for part-time employees. An employee shall receive premium pay for all hours worked on the second or third shift. This includes any hours worked beyond the regular second or third shift hours if required to complete the work assignment.

## Shift Premium Pay (continued)

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When determined necessary for classes to be competitive with relevant labor markets, the Office of State Human Resources may approve an exception, which would allow employees to be paid for specified hours during second or third shift instead of for the entire shift. This includes employees working split shifts.

### Advisory Notes:

- (1) A weekend shift begins with 3<sup>rd</sup> shift on Friday and runs thru 3<sup>rd</sup> shift on Sunday.
- (2) A split shift is interpreted to mean a work schedule that requires an employee to work a certain number of hours, leave the work site for an extended period of time, then report back to work later in the same day.

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### Hours Not Eligible

Employees shall not receive shift premium pay for hours not actually worked. This exclusion includes meal periods and such time periods as vacation leave, holidays, sick leave, jury duty, and military leave.

Advisory Note: Employees placed on investigatory status with pay shall be paid shift premium pay if otherwise eligible.

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### Other Premium Pay

Shift premium pay shall be granted in addition to any other premium pay to which the employee may be entitled, such as holiday pay.

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### Not Base Pay

Shift premium pay is not considered as a part of annual base pay for classification and pay purposes, nor is it to be recorded in personnel records as a part of annual base salary.

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### Shift Pay Included in Computing Overtime

Under the State's policy on Hours of Work and Overtime Compensation, shift premium pay must be included in the calculation of the regular hourly rate of pay for the purposes of computing overtime for FLSA non-exempt employees.

## Shift Premium Pay (continued)

**Regular hourly rate** (commonly referred to as “overtime rate”) must include, in addition to the straight-time hourly rate, shift premium pay, on-call pay, emergency callback pay and longevity pay.

Advisory Note: Regular recurring shall be interpreted to mean a position that requires a daily schedule that is repeated at specified intervals for an indefinite period of time. In addition, an employee required to substitute in a position because of vacancy or the incumbent’s absence that is eligible for shift premium shall receive such payment for time worked in that position. Shift premium pay shall not be paid to employees temporarily placed on a shift or to employees temporarily employed to work on a shift that normally receives such pay.

**EXAMPLE:**

Should an employee work overtime within a week in which the regular schedule included both a first shift and a second or third shift, two different rates of pay are involved in computing overtime. The regular rate is derived by dividing the employee’s total straight-time earnings, including shift premium pay, callback and on-call when appropriate, for the week by the total number of hours worked during that week.

Example: Employee's hourly rate: \$ 13.00  
 Shift pay: \$ 1.30/hr (or 10%) On-call Pay: \$1.50/hr

	M	T	W	Th	F	
Shift	First	First	First	Second	Second	
Hrs. worked	10	8	8	8	8	= 42 hrs. worked
	x	x	x	x	x	
Hourly Rate	\$13.00	\$13.00	\$13.00	\$14.30	\$14.30	
	\$130.00	\$104.00	\$104.00	\$114.40	\$114.40	=\$566.80
On-call hrs.		8				= 12.00
	Total straight time earnings					\$578.80
Premium Pay	2 hours (overtime) x \$13.78 x .5 (\$578.80/42=\$13.78)					= 13.78
	Total earnings					\$592.58

