I. PURPOSE AND SCOPE

This policy provides direction for determining when shift differential pay may be warranted and guidelines for the payment of a shift premium. This policy and the companion procedure apply to all regular, non-exempt staff employees who work the evening or night shift, regardless of source of funds from which paid.

II. POLICY STATEMENT

It is University of Houston policy to compensate qualified employees for inconvenience experienced when assigned to shifts that fall outside of the daytime shift. Regular, non-exempt staff employees who work during either the evening (2nd) or night (3rd) shifts shall receive shift differential pay. Temporary and lump sum employees are not eligible for shift differential.

The policy of the University of Houston System and its components is to ensure equal opportunity in all its educational programs and activities, and all terms and conditions of employment without regard to age, race, color, disability, religion, national origin, veteran’s status, genetic information, or sex (including pregnancy), except where such a distinction is required by law. Additionally, UH System prohibits discrimination in all aspects of employment and educational programs on the basis of sexual orientation, gender identity, or gender expression. For the UH System’s Official Non-Discrimination Statement, see SAM.01.D.05 – Equal Opportunity and Non-Discrimination Statement.

III. DEFINITIONS

A. **Evening shift (2nd shift):** Any shift that starts on or after 2:00 p.m. and before 10:00 p.m., or ends on or after 10:00 p.m.

B. **Night shift (3rd shift):** Any shift that starts on or after 10:00 p.m. and before 6:00 a.m.

C. **Non-exempt employee:** An employee occupying a position deemed to be non-exempt according to the *Fair Labor Standards Act (FLSA).* Non-exempt employees are subject to the overtime provisions of the *Fair Labor Standards Act.*

D. **Regular employee:** A university employee who is employed at 50% FTE or more for a period of at least 4-1/2 months, excluding students employed in positions which require student status as a condition of employment.

E. **Shift differential pay:** The premium pay added to regular pay for employees that work the evening or night (2nd and 3rd) shift.

F. **Standard work hours:** As defined at the University of Houston System, 8:00 a.m. until 5:00 p.m.
G. Standard workweek: As defined at the University of Houston System, the period beginning at 12:01 a.m. on Wednesday and extending through the seven-day period ending at midnight the following Tuesday.

IV. POLICY PROVISIONS

A. Regular, non-exempt employees who work the evening shift (2nd shift) shall be paid shift differential pay for the hours worked between 2:00 p.m. and 10:00 p.m.

B. Regular, non-exempt employees who work the night shift (3rd shift) shall be paid shift differential pay for the hours worked between 10:00 p.m. and 6:00 a.m.

C. Shift differential pay is subject to overtime pay the same as the base hourly rate.

D. Shift differential pay is an integral part of each eligible employee's gross compensation and is subject to the same payroll deductions and payroll charges as regular wages.

E. In most cases, employees shall be assigned to a shift for an indefinite period of time. Except to provide emergency coverage, shifts shall be rotated no more often than once per pay period.

V. PROCEDURES

A. Shift differential pay rates: Regular, non-exempt employees who work during either the evening (2nd) or night (3rd) shifts shall receive shift differential pay in the amounts shown below:

- Evening shift (2nd shift) - $.75/hour for all hours worked between 2:00 p.m. and 10:00 p.m.
- Night shift (3rd shift) - $1.00/hour for all hours worked between 10:00 p.m. and 6:00 a.m.

B. The eligible employee’s supervisor is responsible for verifying the bi-weekly time sheet is correctly calculating the appropriate shift differential pay.

VI. REVIEW AND RESPONSIBILITIES

Responsible Party: Senior Associate Vice President for Finance

Review: Every three years on or before September 1
VII. APPROVAL

Jim McShan  
Senior Vice President for Administration and Finance

Paula M. Short  
Senior Vice President for Academic Affairs and Provost

Renu Khator  
President

Date of President's Approval: August 8, 2016

VIII. REFERENCES

Fair Labor Standards Act (FLSA)  
UH System Administrative Memorandum 02.B.10

REVISION LOG

<table>
<thead>
<tr>
<th>Revision Number</th>
<th>Approved Date</th>
<th>Description of Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>08/30/1996</td>
<td>Initial version (Documentation was split into the Policy and Procedure)</td>
</tr>
<tr>
<td>Interim</td>
<td>05/13/2011</td>
<td>Interim Designation based on Texas Workforce Commission audit in 04/2011. Combined Policy and Procedure into one document. Applied revised MAPP template and added new Revision Log. Added hyperlinks to documents where applicable. Combined the policy and procedure documents into one document. Removed reference to MAPP 02.01.05 and Index terms</td>
</tr>
<tr>
<td>2</td>
<td>08/08/2015</td>
<td>Submitted for complete review cycle to remove “Interim” designation. Updated Revision Log. Removed references to “Full-time” throughout the procedure. Revised 2nd shift and 3rd shift in Section III.A and B. Revised Section III.D from “100% FTE” to “50% FTE or more.” Revised Section III.E to redefine shift differential pay. Removed Sections IV.C and IV.G. Defined 2nd shift hours in Section IV.A, and 3rd shift hours in Section IV.B. Changed payment from $.15/hour to $.75/hour for 2nd shift work, and from $.40/hour to $1.00/hour for 3rd shift work in Section V.A. Revised Section V.B for employee’s supervisor to verify that the biweekly time sheet correctly calculated the appropriate shift differential pay. Changed responsible party from Executive Director of Human Resources to Associate Vice President of Finance</td>
</tr>
<tr>
<td>Revision Number</td>
<td>Approved Date</td>
<td>Description of Changes</td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>3</td>
<td>08/08/2016</td>
<td>Provided updated GENDA and non-discrimination information in Section II per U.S. Department of Education’s Office for Civil Rights request. Updated titles as applicable</td>
</tr>
</tbody>
</table>