

**UNIVERSITY OF HOUSTON SYSTEM  
ADMINISTRATIVE MEMORANDUM**

**SECTION: Human Resources**

**NUMBER: 02.B.10**

**AREA: Compensation**

**SUBJECT: Shift Differential**

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1. PURPOSE

Shift differential may be paid to individuals required to work other than a daytime work schedule. This document provides direction for determining when shift differential pay may be warranted and guidelines for the payment of shift differential.

2. POLICY

- 2.1. It is University of Houston System policy to compensate certain employees for inconvenience experienced when assigned to shifts that fall outside of the regularly scheduled daytime shift.
- 2.2. Only regular, non-exempt staff employees who work during either the evening (second) or night (third) shift are eligible to receive shift differential pay.
- 2.3. 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](#).

3. DEFINITIONS

- 3.1. Regular Employee: A regular employee is defined as one who is employed at least 50 percent FTE on a regular basis for a period of at least four and one-half continuous months, excluding students holding positions for which student status is a requirement for employment.
- 3.2. Non-exempt Employee: An employee occupying a position deemed to be nonexempt according to the [Fair Labor Standards Act \(FLSA\)](#).
- 3.3. Standard Workweek: The standard workweek is defined at the University of Houston System to be the period beginning at 12:01 a.m. on Wednesday and

extending through the seven-day period, ending at midnight the following Tuesday.

- 3.4. Standard Work Hours: The standard work hours are defined at the University of Houston System to be the hours between 8:00 a.m. and ending at 5:00 p.m.
- 3.5. Day Shift: Any shift that regularly starts on or after 6:00 a.m. but before 2:00 p.m.
- 3.6. Evening Shift (second 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.
- 3.7. Night Shift (third shift): Any shift that starts on or after 10:00 p.m. and before 6:00 a.m.

4. **POLICY PROVISIONS**

- 4.1. Non-exempt employees who work the evening shift may be paid a shift differential for the hours between 2:00 p.m. and 10:00 p.m. at a rate to be determined by the component university Human Resources Department.
- 4.2. Non-exempt employees who work the night shift may be paid a shift differential for the hours between 10:00 p.m. and 6:00 a.m. at a rate to be determined by the component university Human Resources Department.
- 4.3. The shift differential pay shall be added to the base hourly rate before the calculation of an overtime rate.
- 4.4. Applicable shift differentials are not included in the pay of employees who are on paid leave, such as vacation, sick leave, holidays, etc.
- 4.5. 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 salary or wages.
- 4.6. The eligible employee's supervisor is responsible for verifying the biweekly time sheet correctly calculated the appropriate shift differential pay.

5. **REVIEW AND RESPONSIBILITY**

Responsible Party: Assistant Vice Chancellor of Human Resources

Review: Every three years on or before August 31

6. APPROVAL

Approved: Jim McShan  
Senior Vice Chancellor for Administration and Finance

Paula M. Short on Behalf of Renu Khator  
Chancellor

Date: July 6, 2016

**REVISION LOG**

<b>Revision Number</b>	<b>Approval Date</b>	<b>Description of Changes</b>
1	11/04/1994	Initial version
2	04/20/2001	Applied revised SAM template to meet current documentation standards. Removed definition for Flextime Work Schedule from Section 3. Provided minor housekeeping redlines
3	05/31/2006	Applied revised SAM template to meet current documentation standards. Updated documentation to remove the requirement that the component university Human Resources Department is responsible for establishing procedures for the administration of shift differential pay. Included the requirement that the HR Department assist supervisors and managers to determine eligibility, authorizing an appropriate level of evening or night shift differential according to work assignment, reporting shift differential pay to Payroll, and record keeping
4	05/17/2011	Applied revised SAM template and added new Revision Log. Provided minor housekeeping redlines and removed Section 7
5	06/12/2015	Added GENDA statement to Section 2.3. "Regularly" was removed from all sections in this document. Removed "full-time" from documentation. Redlined Section 3.5 for definition of day shift. Redefined 2 <sup>nd</sup> shift in Section 3.6 and 3 <sup>rd</sup> shift in Section 3.7. Changed hours for 2 <sup>nd</sup> shift in Section 4.1, and hours for 3 <sup>rd</sup> shift in Section 4.2. Removed Section 4.3. Revised Section 4.6 for employee's supervisor to verify that the biweekly time sheet correctly calculated the appropriate shift differential pay

<b>Revision Number</b>	<b>Approval Date</b>	<b>Description of Changes</b>
6	07/06/2016	Updated Section 2.3 with GENDA/Title IX statement per U.S. Department of Education's Office of Civil Rights requirements. Updated titles as appropriate