

UNIVERSITY *of* HOUSTON
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Human Resources
AREA: Compensation

Policy 02.01.05

SUBJECT: Shift Differential Pay
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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, full-time, non-exempt staff employees who are scheduled to work the evening or night shift in areas where those shifts, as defined, are authorized, 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 regularly scheduled daytime shift. Regular, full-time, non-exempt staff employees who are scheduled to work during either the evening (2nd) or night (3rd) shifts shall receive shift differential pay. Part-time, temporary, or lump sum employees are not eligible for shift differential.

III. DEFINITIONS

- A. Evening shift (2nd shift): Any shift that regularly starts on or after 2:00 p.m., but before 10:00 p.m.
- B. Night shift (3rd shift): Any shift that regularly starts on or after 10:00 p.m., but before 4:00 a.m.
- C. Non-exempt employee: An employee occupying a position deemed to be non-exempt according to the Fair Labor Standards Act (FLSA). This includes positions formerly designated in the University of Houston compensation plan as Office and Clerical (O&C) or Technical, Service, and Craft (TS&C), and who are paid biweekly on an hourly basis. Non-exempt employees are subject to the overtime provisions of the Fair Labor Standards Act.
- D. Regular, full-time employee: A university employee who is employed at 100% FTE on a regular basis 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 certain employees when regularly scheduled to work other than the regular daytime 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, full-time, non-exempt employees who work the evening shift (2nd shift) on a regular basis shall be paid shift differential pay for all hours worked during the shift.
- B. Regular, full-time, non-exempt employees who work the night shift (3rd shift) on a regular basis shall be paid shift differential pay for all hours worked during the shift.
- C. Employees who are regularly scheduled to work during the daytime shift shall not receive evening shift differential pay for working hours between 2:00 p.m. and 8:00 p.m. if these hours are part of their normal daytime work schedule.
- D. Shift differential pay is subject to overtime pay the same as the base hourly rate.
- E. 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.
- F. 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.
- G. The eligible employee's supervisor is responsible for ensuring that the employee's biweekly Time and Effort Report (time sheet) is completed correctly to reflect the appropriate time reporting category(ies) for input to the payroll system.

V. REVIEW AND RESPONSIBILITIES

Responsible Party: Assistant Vice President, Human Resources

Review: Every three years, on or before September 1

VI. APPROVAL

James T. Hale
Senior Vice President for Administration and Finance

John M. Ivancevich
Executive Vice President for Academic Affairs

Glenn A. Goerke
President

Date of President's Approval: August 30, 1996

VII. REFERENCES

Fair Labor Standards Act (FLSA)
UH System Administrative Memorandum 02.B.10
MAPP Procedure 2.01.05

Index terms:

- Compensation
- Salaries
- Shift differential pay
- Shift premium