

**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 documents 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 regularly assigned to shifts that fall outside of the regularly scheduled daytime shift.

2.2. Only regular, nonexempt staff employees who are scheduled to work during either the evening (second) or night (third) shifts are eligible to receive shift differential pay.

2.3. Nothing in this policy shall be used as the basis for discrimination or retaliation against any individual or group on the basis of race, gender, sexual orientation, age, color, religion, national origin, disability or veteran status.

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. Nonexempt 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 4:00 a.m. but before 2:00 p.m.
- 3.6. Evening Shift (second shift). Any shift that regularly starts on or after 2:00 p.m., but before 10:00 p.m.
- 3.7. Night Shift (third shift). Any shift that regularly starts on or after 10:00 p.m., but before 4:00 a.m.

4. **POLICY PROVISIONS**

- 4.1. Regular, full-time, non-exempt employees who are scheduled to work the evening shift may be paid a shift differential for the entire shift at a rate to be determined by the component university Human Resources Department.
- 4.2. Regular, full-time, non-exempt employees who are scheduled to work the night shift may be paid a shift differential for the entire shift at a rate to be determined by the component university Human Resources Department.
- 4.3. 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.
- 4.4. The shift differential pay shall be added to the base hourly rate before the calculation of an overtime rate.
- 4.5. Applicable shift differentials are not included in the pay of employees who are on paid leave, such as vacation, sick leave, holidays, etc.
- 4.6. 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.
- 4.7. The eligible employee's supervisor is responsible for ensuring the biweekly "Time and Effort Report" (time sheet) is completed correctly to reflect the appropriate time reporting category for input to the payroll system.

5. REVIEW AND RESPONSIBILITY

Responsible Party: Assistant Vice Chancellor for Human Resources

Review: Every three years, on or before August 31

6. APPROVAL

Approved: John Rudley  
Vice Chancellor for Administration and Finance

Jay Gogue  
Chancellor

Date: May 31, 2006

7. INDEX TERMS

Shift Differential