



**TEXAS SOUTHERN UNIVERSITY**  
**MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES**

**SECTION: Human Resources**  
**AREA: Compensation**

**Policy 02.02.05**

<b>SUBJECT: Shift Differential Pay Policy</b>
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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 (MAPP 02.02.06 – Shift Differential Pay 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 Texas Southern University's policy to compensate qualified employees for inconvenience experienced when assigned to shifts that fall outside of the regularly scheduled standard work hours. Regular, full-time, non-exempt staff employees who are scheduled to work during either the evening (2<sup>nd</sup>) or night (3<sup>rd</sup>) shifts shall receive shift differential pay. Part-time, temporary, or lump sum employees are not eligible for shift differential.

**III. DEFINITIONS**

- A. Evening shift (2<sup>nd</sup> shift): Any shift that regularly starts on or after 2:00 p.m., but before 10:00 p.m.
- B. Night shift (3<sup>rd</sup> 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 Texas Southern University's compensation plan as Secretarial/Clerical or Technical, Service, and Craft. 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 Texas Southern University, 8:00 a.m. until 5:00 p.m.

#### 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 Time and Effort Report (timesheet) is completed correctly to reflect the appropriate time reporting category(ies) for input to the payroll system.
- H. All Shift differential pay rates and changes to shift differential pay rates must be approved by and on file in the Office of Human Resources.
- I. Shift differential pay rates can be subject to change based on market conditions. Areas that pay shift differential must work with the compensation unit of the Office of Human Resources to determine appropriate market rates and pay methods (e.g. hourly or monthly differential, flat rate, etc.)

**V. PROCEDURE**

This procedure outlines the processes for determining when shift differential pay may be warranted, authorizing the appropriate level of shift differential pay, and reporting shift differential pay to the Payroll Department, in accordance with the companion policy.

- A. Determining eligibility for Shift Differential pay: Regular, full-time, non-exempt employees shall be paid shift differential if working the evening or night shift, as defined in the companion policy. Questions related to eligibility and processing should be referred to the compensation section of the Human Resources Department.
- B. All Shift Differential pay rates and changes to shift differential pay rates must be approved and on file in the Office of Human Resources.
- C. Positions that qualify for shift differential pay under this MAPP must be flagged appropriately in the payroll system. To accomplish this, information regarding position number and the shift code shall be provided to the Human Resources Information System (HRIS) section of the Human Resources Department. This may be provided on a position request form or a memorandum.
- D. Shift Differential pay rates may be paid to regular, full-time, non-exempt employees who are scheduled to work during either the evening (2<sup>nd</sup>) or night (3<sup>rd</sup>) shifts. Any areas that will utilize Shift Differential pay must establish shift differential rate through the Office of Human Resources. Such rates shall be subject to all provisions provided in this Policy.
- E. Shift differential pay rate can be subject to change based on market conditions. Areas that pay shift differential must work with the Office of Human Resources to determine appropriate market rates and pay methods. (e.g. hourly or monthly differential, flat rate, etc.)
- F. Reporting shift differential pay: The eligible employee's supervisor is responsible for ensuring that the "Time an Effort Report" (time-sheet) is completed correctly to reflect the appropriate time reporting category.

VI. REVIEW AND RESPONSIBILITIES

Responsible Party: Associate Vice President/CHRO

Review: Every three years, on or before September 1

VII. APPROVAL

Edward C. Ness  
Vice President for Administration and Finance

John M. Rudley  
President

Effective Date March 2016