

## *Shift Differential Pay Guidelines for Shift Workers*

**Purpose:** *To describe the rules and methods for calculating shift differential pay and shift differential overtime pay for shift workers.*

**Target Audience:** *University Employees  
MAU Departments  
MAU Payroll Offices*

### **General Guidelines**

The university recognizes that non-exempt employees who are required to perform their work assignment outside regular hours merit additional compensation. Therefore, the university will apply a premium shift differential of 5% of base pay in addition to regular pay, if all the following are met (except as provided in collective bargaining agreements):

- Employee is in a non-exempt regular or temporary position. Exempt employees do not receive shift pay.
- When an employee's normal work assignment begins between 4:00 p.m. and 5:50 a.m. All other assignment periods are considered to be part of a regular shift.
- When an employee is working in continuous operations which must be staffed 24 hours per day.

### **Shift Differential on Overtime**

Employees are also entitled to overtime on shift work. Overtime hours on shift work are paid at 1.5 times the combined regular rate plus the shift differential rate (1.575 times the regular rate).

### **Recording Shift Differential & Shift Diff Overtime on the Web Timesheet**

To record shift differential hours on the timesheet:

1. On a blank timesheet line, select the regular earnings code (010) from the earnings code list. Enter the number of hours worked, whether on "shift" or not.
2. Select the shift differential earnings code (320) from the earnings code list. Enter the fund code and org code for the department or grant which should be charged the shift differential.

**Note:** If you are charging shift differential to a grant, make sure that the grant award allows for shift differential to be charged; some grants do not allow shift differential charges.

3. Enter the shift differential hours on the day the shift differential was worked.



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4. If overtime was performed on a “shift,” enter the overtime hours on the earnings code titled “overtime with shift diff” (325). DO NOT record these same hours on either the regular pay (010) earnings code or on the (320) earnings code.