



TITLE	POLICY NUMBER	
Shift Differential	DCS 04-29	
RESPONSIBLE AREA	EFFECTIVE DATE	REVISION
Human Resources	10/14/16	2

*This policy does not create a contract for employment between any employee and the Department of Child Safety. Nothing in the policy changes the fact that all uncovered employees of the Department are at-will employees and serve at the pleasure of the appointing authority.*

**I. POLICY STATEMENT**

To establish guidelines in the Department of Child Safety (DCS) to provide shift differential pay to eligible employees who perform 50% or more of their scheduled work hours outside regular day shift hours. .

**II. APPLICABILITY**

This policy applies to all employees.

**III. AUTHORITY**

- [A.A.C R2-5A-402](#) Salary Administration
- [A.A.C. R2-5A-403\(B\)](#) Shift Differential
- [A.A.C. R2-5A-502](#) Hours of Work
- [Arizona State Personnel System/HRD-PA4.01](#) Shift Differential Policy

**IV. DEFINITIONS**

Base Pay: An employee's salary excluding overtime pay, shift differential, bonus pay, special performance adjustment previously granted, or pay for any other allowance or special incentive pay program.

Day Shift (Shift 1): A work shift in which 50% or more of the scheduled hours occur between 8:00 a.m. and 5:00 p.m.

Department or DCS: The Department of Child Safety.

Director: The Director of the Department of Child Safety.

Evening Shift (Shift 2): A work shift in which 50% or more of the scheduled hours occur between 6:00 p.m. and midnight.

Night Shift (Shift 3): A work shift in which 50% or more of the scheduled hours occur between midnight and 8:00 a.m.

Other than a Day Shift: Means the majority of an employee's hours occur between 6:00 p.m. and 6:00 a.m.

Overtime: Hours worked in excess of 40 hours per week or in excess of a work period as defined by the Fair Labor Standards Act (FLSA). Employees will be compensated according to the provisions of the FLSA.

Shift Differential: The payment of additional compensation to an employee who works on a shift other than a day shift and is in a classification that has been authorized to receive such payments. Current shift differential amounts are 5% of base salary for evening shift and 10% for night shift.

Temporarily: Intermittently or periods of less than two consecutive 80-hour pay periods.

Workweek: The period of seven consecutive days starting Saturday at midnight and ending Friday at 11:59 p.m. or as otherwise previously defined and approved for purposes of an alternative work schedule (AWS).

## **V. POLICY**

- A. Shift differential pay shall be paid to an employee in a position working either an evening or night shift as follows.

1. An employee who works an evening shift (shift 2) will receive a shift differential of 5% of his/her base pay.
  2. An employee who works a night shift (shift 3) will receive a shift differential of 10% of his/her base pay.
  3. If an employee's work schedule is equally distributed between two shifts, the employee will receive the higher percentage of compensation (i.e., an employee would receive the night shift rate of 10% for a shift that begins at 8:00 p.m. and ends at 4:00 a.m. since the shift is equally divided between the evening shift and the night shift).
  4. The Director may authorize a shift differential to be paid to an employee on other than a day shift. The shift differential rate is established by the Director. Employees in the same class in the same agency who work on the same shift shall receive the same shift differential pay unless an exception is authorized by the Director.
- B. Shift differential pay will be included in the computation of vacation, sick, holiday pay, and overtime pay for an employee whose normal work hours are assigned to shifts that receive shift differential pay.
- C. A shift change of four weeks or more will be considered a permanent shift change.

## **VI. PROCEDURES**

- A. Compensation for employees who are eligible for shift differential pay shall be determined as follows:
1. An employee who works on rotating shifts (i.e., regular day shift one week, an evening shift the following week, and night shift the next week) will be paid the appropriate shift differential pay only for those weeks that the employee is scheduled to work on evening and night shifts.
  2. An employee who is temporarily required to work a day shift, but whose normal work hours scheduled are designated as eligible for shift differential pay, will continue to receive shift differential pay for all hours worked.

EXAMPLE: An employee regularly scheduled for the night shift works the day shift for two weeks to provide coverage for a day shift employee

on annual leave. The employee will continue to be paid night differential pay for the hours temporarily worked on the day shift.

3. An employee who is temporarily required to work an evening or night shift but whose normal work hours are scheduled during a day shift will receive the applicable shift differential pay for all hours worked on the evening or night shift.

EXAMPLE: An employee regularly scheduled to work a day shift is scheduled to work two eight-hour evening shifts for an employee on annual leave. The employee will receive 5% shift differential pay for the 16 hours worked on the evening shift.

4. An employee who continues to perform assigned duties beyond his/her normal work hours will receive compensation at the same rate as his/her scheduled shift. Additional hours worked are not considered scheduled work hours; therefore, the additional hours worked shall not be used for shift determination.
5. An employee who has more than one shift differential calculation for a workweek will receive overtime compensation at a blended rate. The HRIS system calculates the blended rate by adding all monies earned for the workweek together and dividing the sum by the number of hours worked. All overtime compensation (one and one-half times, straight time, etc.) will be paid in compliance with the Fair Labor Standards Act (FLSA).

B. Exception for 24-Hour Work Centers – The following is guidance for a 24-hour work center employee who is required to remain at work to cover the shift of another employee:

1. An employee who works less than 50% of the absent employee's shift will record the time worked as additional hours worked at the default shift differential pay rate.
2. An employee who works 50% or more of the absent employee's shift will be compensated at the higher shift differential pay rate if one-half or more of the hours worked qualify for the next higher shift differential pay rate.

The examples provided are based on eight-hour shifts (one hour for meal break). The 50% of hours must be adjusted appropriately for ten- and 12-hour shift schedules.

EXAMPLE 1: Employee 1 is scheduled to work from 2:00 p.m. to 11:00 p.m. (shift rate 2). Employee 2 is scheduled to work from 11:00 p.m. to 8:00 a.m. (shift rate 3). Employee 1 is required to remain at work because Employee 2 has failed to arrive at work. Employee 1 remains at work for three hours before employee 2, or another qualified employee, arrives. Since employee 1 worked less than 50% of employee 2's shift, the hours would be additional hours worked at shift rate 2, the default shift differential rate for employee 1 (11 hours at shift rate 2).

EXAMPLE 2: Employee 1 is scheduled to work from 2:00 p.m. to 11:00 p.m. (shift rate 2). Employee 2 is scheduled to work from 11:00 p.m. to 8:00 a.m. (shift rate 3). Employee 1 is required to remain at work because Employee 2 has failed to arrive at work. Employee 1 remains at work for four hours before employee 2, or another qualified employee, arrives. Since employee 1 worked 50% or more of employee 2's shift, the hours worked for employee 2 would be compensated at shift rate 3 (eight hours at shift rate 2 and four hours at shift rate 3).

EXAMPLE 3: Employee works less than 4 hours at a different shift other than their scheduled shift: Employee would be compensated at their scheduled shift pay rate.

- C. The employee's direct supervisor is responsible for informing their assigned HR Liaison ten business days prior to an employee's permanent or temporary shift change.
- D. When a shift change is permanent or a temporary assignment that lasts four weeks or longer, the assigned HR Liaison is responsible for submitting a Personnel Action Transmittal to the DCS Human Resources Operations Unit, so that they can update the employees shift code in HRIS.
- E. The direct supervisor is responsible for ensuring that the employee is selecting the correct work shift on their timecard in order to receive the proper differential and avoid any discrepancies.
- F. Staff working evening and night schedules and offices requiring 24-hour coverage may contact DCS Payroll at 602-255-2701 for examples of reporting evening and night shift schedules.

## **VII. FORMS INDEX**

[Personnel Action Transmittal \(DCS-1008A\)](#)