

HR Desk Reference

Premium Pay

HR Desk Reference: 410-05-05

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1. Purpose & Background

This HR Desk Reference implements BPA HR Directive 410-05: Employee Pay and Compensation Initiatives.

A. Introduction

1. **HR Governance Model:** This HR Desk Reference is part of a tiered approach to BPA’s Human Resources governance model. The first tier is the BPA Human Resources Policy, which provides broad BPA-wide guidelines and standards for making specific human resources-related decisions and specifies who in BPA is delegated the authority to make them.

The second tier consists of HR Desk References covering more detailed instructions concerning program administration and processes. These second tier documents will be authorized in the “Related HR Desk References” section of the BPA HR Directives when they are published as an extension of a specific HR directive.

The third tier consists of Standard Operating Procedures applicable to a specific business process. Standard Operating Procedures may stand alone or be encompassed in a Desk Reference. Note that SOPs are internal group documents and do not impact working conditions or negotiated BPA HR Directives or HR Desk Reference guides.

2. **Design of the HR Desk Reference:** In order to support the overarching guidance contained in the relevant HR Policy, this HR Desk Reference provides a standardized and consistent approach to HCM’s and BPA Management’s administration of the programs and processes contained in this HR Desk Reference.
3. **Using the HR Desk Reference:** Recorded information is an integral part of all business functions at BPA and, as such, is an asset of the agency that is handled and managed based upon content and the circumstances surrounding the function. Users of this HR Desk Reference are likely to reference a specific function or procedure rather than reading it in its entirety and it is therefore structured to reflect this type of use.

B. Purpose/Objectives:

Annual employees required to work on Sunday, at night, or on a holiday may be entitled to have a “premium” or differential added to their rate of basic pay under the regulations in 5 CFR, Part 550 as summarized in this guidance. This HR Desk Reference covers rules and policies for earning “premium pay” when annual employees work on Sundays, at night, or on holidays.

2. Applicability

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This HR Desk Reference applies to all BPA annual employees regardless of FLSA status, except those in the Senior Executive Service (SES).

3. Terms & Definitions

- A. **Administrative Workweek:** Administratively-established period of seven consecutive calendar days designated in advance - normally from 0000 hours Sunday to 2359 hours the following Saturday. A variance from the standard workweek may be authorized in writing by a Tier I manager or an equivalent manager or by the organization’s vice president per BPA HR Directive 410-06: Employee Leave, Work Schedules, and Telework.
- B. **Basic Work Requirement:** The number of hours excluding overtime hours that must be regularly accounted for on the time and labor report. Completion of the basic work requirement includes hours reported as work, leave, or credit hours used.
- C. **Compressed Work Schedule:** A fixed schedule requiring a full-time employee to complete an 80-hour basic work requirement in less than 10 workdays or requires a part-time employee to complete a bi-weekly basic work requirement of less than 80 hours in less than 10 workdays.
- D. **Core Hours:** The hours within the administrative workday during which a full-time employee on a flexible work schedule must be present for work, currently identified as 9:00 a.m. to 3:00 p.m.
- E. **Excused Absence:** Time off without loss of pay or charge to leave authorized by an official with authority to grant excused absence.
- F. **Flexible Work Schedule (Flexi-schedule):** A work schedule that has an 80-hour, bi-weekly basic work requirement for a full-time employee and less than 80 hours for a part-time employee and allows the employee to set his/her departure and arrival times within flexible bands and to earn credit hours for voluntarily working hours beyond his/her daily work requirement (with management approval) in order to vary the length of a basic workweek or workday.
- G. **Exempt:** An employee exempt from minimum wage and overtime provisions identified in the Fair Labor Standards Act (FLSA).
- H. **Non-exempt:** An employee covered by minimum wage and overtime provisions of the FLSA.
- I. **In Lieu of Holiday:** The day observed as a holiday when a holiday falls on a full-time employee’s non-workday.
- J. **Overtime:** Hours of work officially ordered and approved (or suffered and permitted for FLSA non-exempt employees) in excess of an employee’s basic work requirement.

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- K. **Rate of Basic Pay:** Rate of pay fixed by law or administrative action for a federal classified position, including applicable locality payment under 5 CFR, Part 531, Subpart F; special rate supplement under 5 CFR, Part 530, Subpart C; or similar payment or supplement under other legal authority, before any deductions or additions to pay of any kind.
- L. **Regularly Scheduled Tour-of-Duty:** Hours of a day, i.e., daily tour-of-duty, and the days of an administrative workweek, i.e., weekly tour-of-duty, constituting an employee’s regularly scheduled administrative workweek.
- M. **Acronyms:**
 - 1. **AWS:** Alternate Work Schedules
 - 2. **CFR:** Code of Federal Regulations
 - 3. **FLSA:** Fair Labor Standards Act
 - 4. **GS:** General Schedule
 - 5. **HCM:** Human Capital Management
 - 6. **HRD:** Human Resources Director or Human Resources Directive
 - 7. **MOU:** Memoranda of Understanding
 - 8. **SES:** Senior Executive Service

4. Responsibilities

- A. **BPA Human Resources Director:** Provides expert advice and guidance concerning premium pay entitlements under U.S. Office of Personnel Management (OPM) regulations.
- B. **BPA Managers and Supervisors:**
 - 1. Establishes and adjusts employee work schedules based on operational requirements;
 - 2. Ensures that premium pay is authorized, approved, and controlled in a cost-effective manner;
 - 3. Ensures that premium pay time earned is recorded in accordance with BPA’s time and labor reporting instructions; and
 - 4. Maintains documentation and approval or supportive documentation in compliance with Federal laws and regulations. These records must be maintained in official electronic or locked cabinet for paper files to ensure confidentiality.
- C. **Employees:** Follow request, approval, and/or documentation procedures established that are applicable to their work unit or the instructions of their supervisor in compliance with Federal laws and regulations.

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5. Program Administration Requirements and Guidance

A. General:

1. Sunday pay is not considered part of an employee's rate of basic pay for any purpose.
2. An employee, full-time or part-time, is entitled to an additional premium of 25 percent of his/her rate of basic pay for work performed during a regularly scheduled tour-of-duty that begins or ends on a Sunday (midnight Saturday through midnight Sunday).
3. When a portion of a regularly scheduled tour-of-duty begins or ends on Sunday, the entire shift is paid at the premium rate. For example, if an employee's regularly scheduled tour-of-duty begins at 2145 hours on Sunday, the entire shift is paid at the Sunday rate.
4. When an employee has two separate regularly scheduled tours-of-duty, each of which begins or ends on Sunday, he/she is entitled to be paid Sunday pay for performing work during each tour-of-duty. For example, an employee who has a regularly scheduled tour-of-duty that ends at 0030 hours on Sunday and another that begins at 2145 hours on the same Sunday would be entitled to Sunday premium pay for two full shifts.

B. Alternate work schedules:

1. An employee on a standard or a flexible work schedule is entitled to Sunday premium pay for up to 8 hours of his/her basic work requirement. Credit hours worked on a Sunday are not eligible for Sunday premium.
2. An employee on a compressed work schedule is entitled to Sunday premium pay for the number of regularly scheduled hours associated with his/her basic work requirement when any part of their tour-of-duty includes working on Sunday. For example, an employee on a 4/10 schedule has 4 regularly scheduled 10 hour days during his/her administrative workweek. If any part of a regularly scheduled 10 hour day falls on Sunday, the employee is paid Sunday premium pay for the entire 10 hour shift.

C. Paid leave, excused absences, and holidays on Sunday:

1. Employees regularly scheduled to work non-overtime hours on Sunday who do not work during their Sunday tour-of-duty because they are on paid leave (including court leave, military leave, or funeral leave), excused absence, on compensatory time off, credit hours, or because Sunday is a holiday, are not entitled to Sunday premium pay. Sunday premium pay is paid only for periods when an employee actually performs work on a Sunday.

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2. Sunday premium pay is paid for work performed, any part of which includes Sunday. If an employee takes paid leave for any part of his/her regularly scheduled tour-of-duty that occurs on Sunday, the hours of leave are not compensated at the Sunday premium rate. For example, if an employee has a regularly scheduled shift from 0800 hours to 1630 hours on Sunday and takes annual leave from 0800 hours to noon and works from noon to 1630 hours, the employee is entitled to Sunday premium pay only for time worked between noon and 1630 hours.

5.2 Sunday pay and overtime, night pay and holiday pay

- A. Employees working overtime on Sunday receive overtime pay for hours in excess of their basic work requirement (overtime hours), not Sunday premium pay. Overtime hours are determined in accordance with the provisions in either 5 CFR, Part 550 for exempt employees or 5 CFR, Part 551 for non-exempt employees (see applicable HR Desk Reference, Overtime and Compensatory Time for Exempt Annual Employees or HR Desk Reference, Overtime and Compensatory Time under the Fair Labor Standards Act (FLSA)).
- B. When an employee has a regularly scheduled basic tour-of-duty that begins or ends on Sunday and includes night work, i.e., defined as work accomplished between 1800 hours to 0600 hours, the employee is entitled to night pay in differential addition to Sunday premium pay for work during night hours, if any part includes a Sunday tour-of-duty.
- C. When an employee has a regularly scheduled basic tour-of-duty that begins or ends on Sunday and Sunday is a holiday, the employee is entitled to both holiday premium pay and Sunday premium pay for up to the number of hours in his/her basic work requirement for that day. See section 5.4 below for rules concerning payment of holiday pay.

5.3 Night pay

- A. **General:**
 1. An employee is entitled to a 10 percent night pay differential calculated based on his/her rate of basic pay for regularly scheduled work performed between 1800 hours and 0600 hours. Night pay is not part of an employee’s rate of basic pay for any purpose. Regularly scheduled work means work scheduled before the beginning of the administrative workweek.
 2. Night pay is also paid for night work performed when an employee’s tour-of-duty is temporarily changed during the administrative workweek.
- B. **Alternate work schedules (AWS):** Employees on a compressed work schedule are entitled to night pay for any regularly scheduled hours worked between 1800 hours and

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0600 hours. See existing Memorandums of Understanding (MOUs) established with the unions for different workgroups working on AWS.

C. Night pay, paid leave, excused absences, and holidays while in travel status:

1. Except as provided below, an employee is entitled to night pay for a period of paid leave only when the total amount of leave in a pay period, including both night and day hours, is less than 8 hours.
2. An employee excused from night duty a) on a holiday or during other excused absence, such as closure due to severe weather; b) on jury duty, i.e., on approved court leave whether or not jury duty is performed during the employee’s scheduled tour-of-duty; or c) during paid military or funeral leave, is entitled to the night pay differential he/she would otherwise have earned.
3. An employee earns night pay differential for night hours of his/her regularly scheduled tour-of-duty, when in an official travel status, whether performing actual duty or not.

5.4 Holiday pay

A. General:

1. An employee is entitled to receive his/her basic rate of pay plus holiday premium pay when required to work on a holiday during his/her regularly scheduled, non-overtime, basic tour-of-duty. Holiday “premium pay” is equal to an employee’s rate of basic pay for each hour of holiday work (sometimes referred to as “double time”). Holiday pay is not part of an employee’s rate of basic pay for any purpose.
2. An employee required to perform any non-overtime work on a holiday is entitled to a minimum of 2 hours of holiday premium pay.
3. When the President issues an Executive Order closing Federal departments and agencies for part or all of a workday and the Order provides for time off to be treated as a holiday for pay and leave purposes, employees required to work on those days are entitled to holiday premium pay for the number of hours in their basic tour-of-duty that correspond to the provisions in the Order. For example, if an Executive Order provides for employees to be given one-half day off on Christmas Eve and it is to be treated as a holiday, an employee with an 8-hour tour-of-duty who is required to perform work would be entitled to 4 hours of holiday premium pay.
4. Early dismissals by the Secretary or Administrator and CEO do not qualify as holidays for pay and leave purposes. Employees required to work during early dismissals the day before a holiday are not entitled to holiday premium pay.
5. When a regularly scheduled, non-overtime tour-of-duty includes some but not all hours on a holiday, the entire tour-of-duty is considered a “holiday tour”. For

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example, an employee whose regular tour begins at 2300 hours and ends at 0730 hours on a holiday would be entitled to holiday premium pay for the full 8-hour tour-of-duty.

6. When two regularly scheduled, non-overtime tours-of-duty include hours on a holiday, the holiday tour is the tour-of-duty that begins on the holiday. For example, if an employee’s regular tour begins at 2300 hours and ends at 0700 hours on a holiday and the next scheduled tour begins at 2300 hours on a holiday and ends at 0700 hours on a non-holiday, the second tour would be considered the holiday tour and the employee would be entitled to holiday premium pay. The first tour would be paid at employee’s basic rate of pay plus any other non-holiday premium pay entitlements, such as night-time pay differential.
7. Time spent in travel status on a holiday does not entitle an employee to holiday premium pay unless the time spent traveling meets the criteria for hours of work in 5 CFR 550.112(g), as applicable to both exempt and non-exempt employees.

B. Alternate and flexible work schedules:

1. Employees on a flexible work schedule are entitled to holiday premium pay if required to work, not to exceed 8 hours. If the President issues an Executive Order granting a “half-day” holiday to be treated as a holiday for compensation purposes, employees on regular or flexible work schedules required to work (whether part-time or full-time) are entitled to holiday premium pay for one-half of their basic daily work requirement, not to exceed 4 hours. For example, a part-time employee who works a regularly scheduled 6-hour shift on a day that the President has granted a “half-day” holiday is entitled to 3 hours pay at the holiday premium rate.
2. Employees working compressed work schedules are entitled to holiday premium pay if required to work during their basic daily work requirement, not to exceed the hours in the employee’s compressed work schedule for that day. For example, an employee on a 4/10 work schedule who is required to work on a holiday receives holiday premium pay not to exceed 10 hours.
3. If the President issues an Executive Order granting a “half-day” holiday, employees on compressed work schedules (whether part-time or full-time) who are required to work are entitled to be paid holiday premium pay for one-half of their basic work requirement. For example, a full- or part-time employee on a 4/10 work schedule who is required to work on a “half-day” holiday would be entitled to 5 hours of holiday premium pay. A part-time employee working an 8-hour day who is required to work a “half-day” on a holiday would be entitled to be paid 4 hours of holiday premium pay.
4. When a full-time employee on a compressed work schedule is required to work on an “in lieu of” holiday, he/she is entitled to holiday premium pay as outlined above. If an agency’s office or facility is closed due to an “in lieu of” holiday for full-time

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employees, the agency may grant paid excused absence to part-time employees who are otherwise scheduled to work on that day. If a holiday falls on a non-workday, part-time employees are not entitled to an “in lieu of” holiday.

If an agency's office or facility is closed due to an “in lieu of” holiday for full-time employees, the agency may grant paid excused absence to part-time employees who are otherwise scheduled to work on that day (63 Comp. Gen. 306 (1984)). Part-time employees do not receive holiday premium pay for working on an “in lieu of” holiday for full-time employees. See HR Desk Reference, Hours of Duty “other” compressed work schedule agreements and existing MOUs with the unions.

5.5 Holiday pay, overtime pay, night pay and Sunday pay

- A. Overtime work hours are hours of work in excess of an employee’s basic work requirement. Overtime ordered and approved on a holiday is paid at the overtime rate, i.e., not the holiday premium pay rate to which the employee is entitled under either 5 CFR, Part 550 for exempt employees or 5 CFR, Part 551 for non-exempt employees (see also HR Desk References for Overtime and Compensatory Time for Annual Employees, and Compensatory Time under the Fair Labor Standards Act).
- B. An employee performing work on a holiday during their regularly scheduled tour-of-duty is not performing overtime work. These hours are compensable as holiday premium pay as discussed in Section A.
- C. An employee working on a holiday is entitled to night pay differential in addition to holiday premium pay. An employee working on a holiday which falls on a Sunday is entitled to receive both holiday and Sunday premium pay, to the extent he/she meets all requirements for Sunday pay as described above.

5.6 Sunday pay, night pay, and holiday pay during periods of training

- A. Regulations governing employees earning Sunday, Night, and Holiday premium pay are in 5 CFR 410, Subpart D. Under those regulations, employees may not earn the forms of premium pay covered in this HR Desk Reference while in training through Government or non-government facilities with the following exceptions:
 - 1. An employee given training during a regular tour-of-duty for which he/she is already receiving Sunday, night, or holiday premium pay will receive the applicable premium pay. This does not apply to employees assigned to full-time training at institutions of higher learning.
 - 2. For cost savings purposes, an employee given training on a Sunday or on a holiday because the cost of the training, Sunday and holiday premium pay included, is less than the cost of the same training confined to regular work hours will continue to be paid applicable premium pay.

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- 3. An employee given training at night because situations he/she must learn to handle occur only at night will be paid at the applicable premium pay.
- B. An employee assigned to full-time training at an institution of higher learning may not receive Sunday, night, or holiday premium pay under any circumstances. If applicable, Managers should notify affected employees in advance of attendance.

5.7 Pay caps

- A. Bi-weekly pay caps limit the amount of premium pay payable to a General Schedule employee. BPA’s Chief Operating Officer (COO) has the authority, with HCM concurrence, to waive the bi-weekly cap on premium pay for first responders for recurring emergency situations, such as major power outages due to severe weather conditions. Waivers for one-of-a-kind situations require DOE approval.
- B. Under bi-weekly or annualized pay caps, the employee’s total pay including basic pay, night, holiday, Sunday, standby duty (non-exempt and exempt employees), and overtime pay (exempt employees only) for the bi-weekly period or the calendar year may not exceed the pay for GS-15, step 10 (including applicable locality pay or special rate supplement) or the rate payable for Executive Schedule level EX-V, whichever is greater.
- C. For exempt employees, the dollar value of compensatory time earned in lieu of overtime is included when calculating employee pay, subject to the bi-weekly pay cap. For non-exempt hourly employees, overtime pay and compensatory time in lieu of overtime do not count towards the pay cap; however, other forms of premium pay covered in this guidance for all other employees do count towards the pay cap.

6. Procedures

Scheduling and recording premium pay:

- A. Manager approval is required prior to earning any premium pay (night pay, Sunday pay and/or holiday pay for a holiday worked); and
- B. Premium pay earned is recorded on the applicable time and labor report with use of specific time reporting codes.

7. Performance & Monitoring

The Finance/Payroll Disbursement functions monitor adherence.

8. Authorities & References

- A. BPA HR Directive 410-05: Employee Pay and Compensation Initiatives
- B. 5 U.S.C., Chapter 55, Subchapter V, Premium Pay

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- C. 5 U.S.C., Chapter 61, Hours of Work
- D. 5 U.S.C., Chapter 63, Leave
- E. 5 CFR, Part 410, Subpart D, Paying for Training Expenses
- F. 5 CFR, Part 550, Pay Administration (General)
- G. 5 CFR, Part 551, Pay Administration under the Fair Labor Standards Act
- H. 5 CFR, Part 610, Hours of Duty
- I. 5 CFR, Part 630, Absence and Leave
- J. Related HR Desk References:
 - 1. 410-05-01: Pay and Compensation for Non-Exempt Annual Employees
 - 2. 410-05-02: Pay and Compensation for Exempt Annual Employees
 - 3. 410-05-03: Compensatory Time Off for Travel
 - 4. 410-05-04: Religious Compensatory Time
- K. [OPM Fact Sheet, Sunday Premium Pay](#)
- L. [OPM Fact Sheet, Night Differential for GS Employees](#)
- M. [OPM AWS Handbook](#)
- N. [63 Comptroller General 306 \(1984\)](#)

9. Contacts

- A. Human Capital Management, Employee/Labor Relations and Benefits, (NHE)
- B. For assistance with timesheets, please contact Finance, Payroll Disbursement office

10. Revision History

Version Number	Issue Date	Brief Description of Change or Review
1.0	4/18/2016	Initial Issuance

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