

2017 PAY DIFFERENTIAL SURVEY

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ABOUT US

ERC is Northeast Ohio's largest organization dedicated to HR and workplace programs, practices, training and consulting. ERC membership provides employers access to an incredible amount of information, expertise, and cost savings that supports the attraction, retention, and development of great employees. We also host the nationally recognized NorthCoast 99 program and sponsor the ERC Health insurance program. For more information about ERC, please visit www.yourERC.com.



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INTRODUCTION & METHODOLOGY

This report summarizes the results of ERC's survey of organizations in Northeast Ohio, conducted in the summer of 2017, on practices related to pay differentials. The survey reports trends in:

- Shift differentials
- Overtime practices
- On-call pay

All ERC members were invited to participate in the survey starting on June 13th, 2017 via email invitation and other promotions, and participated in the survey throughout the next month. The survey officially closed on July 21st, 2017. In order to provide the most reliable and accurate information, data was cleaned and duplicate records were removed. Any outliers or invalid data were also eliminated, yielding a final data set of 67 participating organizations, only from Northeast Ohio. Qualitative data was coded where applicable or analyzed according to commonality or major themes, and all quantitative data was analyzed using statistical software to ensure data validity and reliability.

This report shows several frequencies and response distributions. Frequencies of data responses may not total 100% exactly in some cases due to rounding of decimals or the ability for participating organizations to select multiple response options. In some cases, breakouts (manufacturing and non-manufacturing) are not included due to quantity of data or insufficient sample.

Codes

The following codes are used throughout the survey to report the data.

- **PMS-U:** Hourly production, maintenance, and service positions (Union)
- **PMS-NU:** Hourly production, maintenance, and service positions (Non-Union)
- **PMS (Lead):** Hourly production, maintenance, and service positions that are leads or group leaders
- **PMS (Supervisor):** Production, maintenance, and service positions that are supervisors

KEY FINDINGS

SHIFT WORK

Participants report that 2nd and 3rd shift work (both weekday and weekend) are the most common shifts to be paid a differential. Double shifts and holiday shifts are rarely paid a differential, most likely because the employers in the survey sample simply do not run shifts during those times, *not* because employers don't place a premium on work performed during those hours. The most common type of shift differential paid by employers is a flat premium per hour.

BEST LAID PLANS

When communicating their overtime needs, employers report providing anywhere from several months (for consistently busy times of the year for which additional need for hours can be predicted) to just a day or two of notice. The bulk of participants fall somewhere in between, anywhere from 2-7 days. In their responses many organizations included a caveat that there are occasionally extenuating circumstances that would shorten their usual notification period, but anything under 48 hours' notice was very rare.

DECISIONS, DECISIONS

When deciding who will take overtime hours, many employers will ask for volunteers first. Of course, even these volunteers have to have the skill set necessary to perform the work being asked of them, so many organizations require supervisor approval. Other considerations (some of which a supervisor could also weigh in on) include employee seniority, standards set out by union contracts, or amount of overtime worked recently. This last variable may take the form of a departmental rotation or other formal set of rules run through the organization's time & attendance system.

BEING "ON-CALL" DOESN'T ALWAYS PAY

Most participants in this year's survey are not structured such or in an industry that needs employees to be "on-call". However, among those that do have "on-call" hours, it should be noted that not all organizations that *require* these hours, compensate for this time. The reverse is also true: not all organizations that provide compensation for "on-call" hours require that employees take "call" in the first place. When compensation is provided, several employers noted that they set a minimum number of hours for which the on-call employee will be compensated (should they be called in) even if the on-call hours worked is less than the minimum.

SHIFT DIFFERENTIALS

FIGURE 1 | Percent of organizations providing shift differentials

Second and third shift employees, especially on weekdays, are the most common recipients of pay differentials reported.

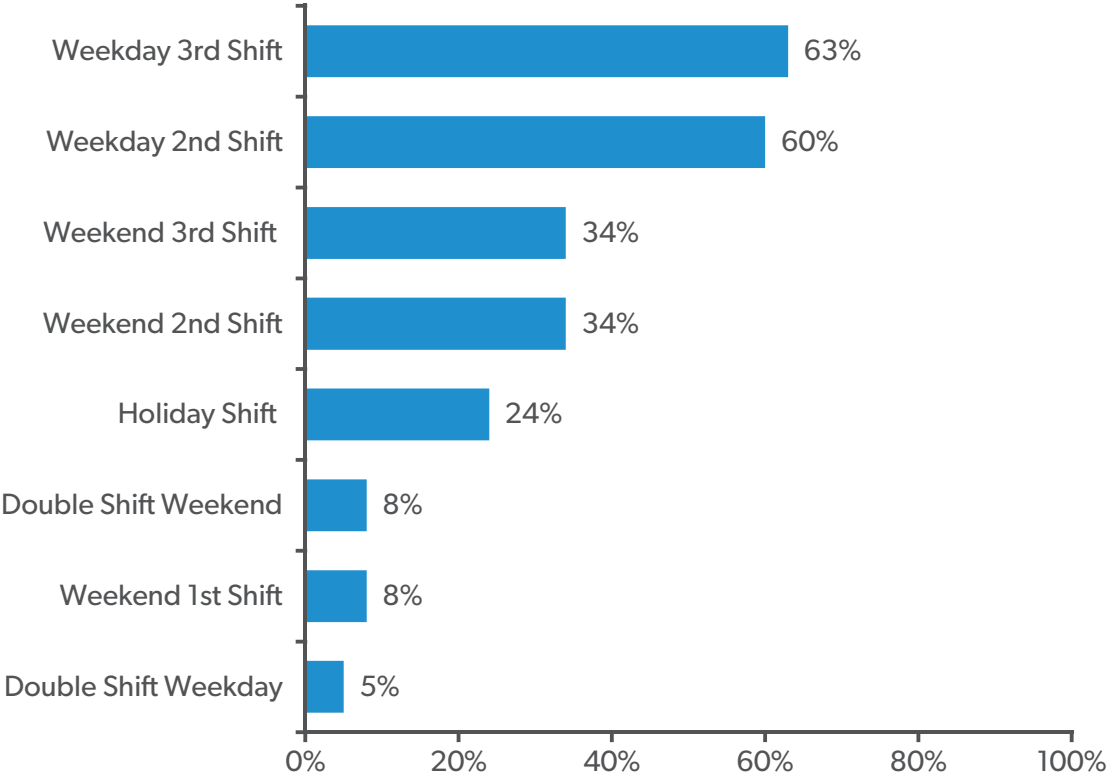
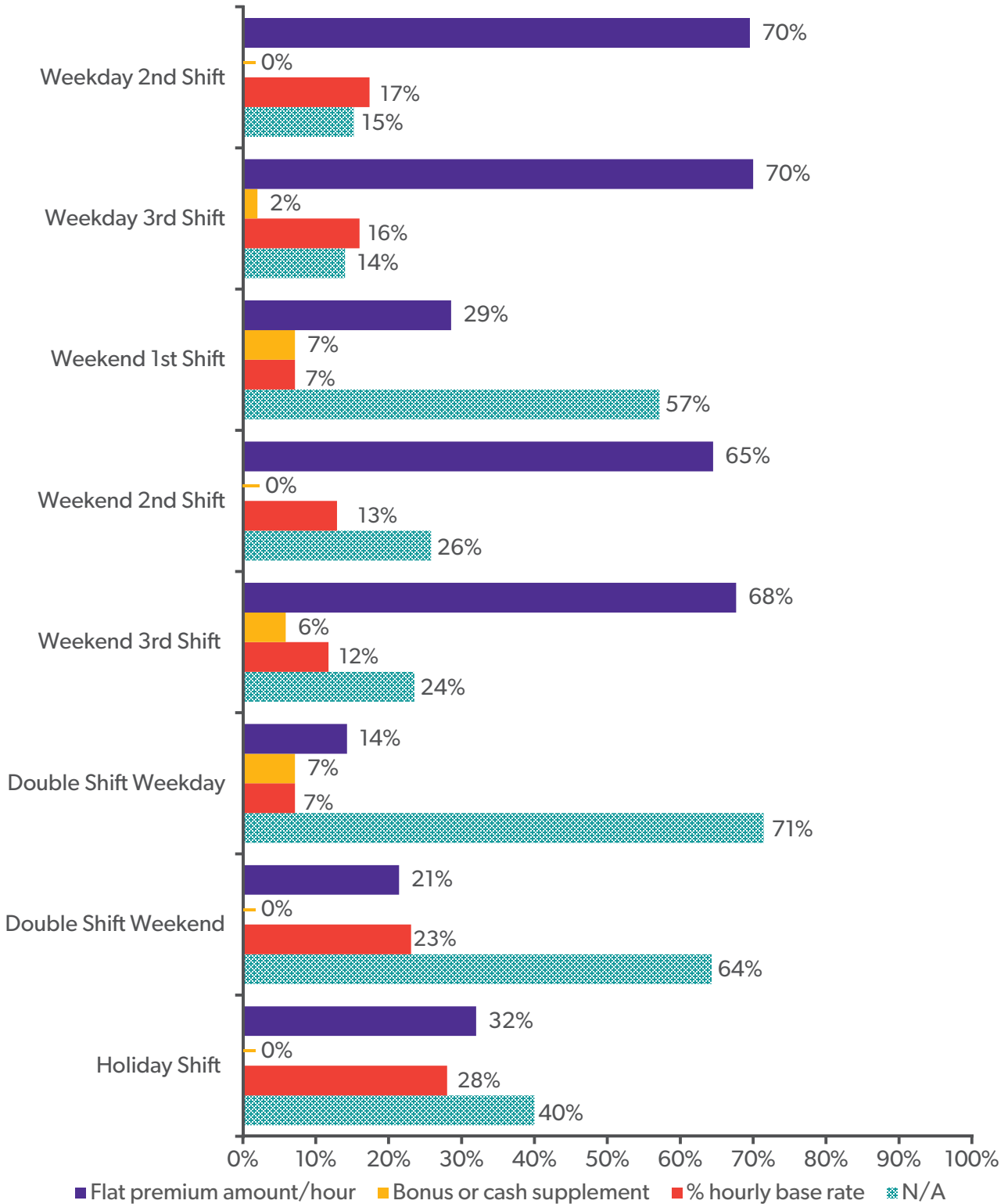


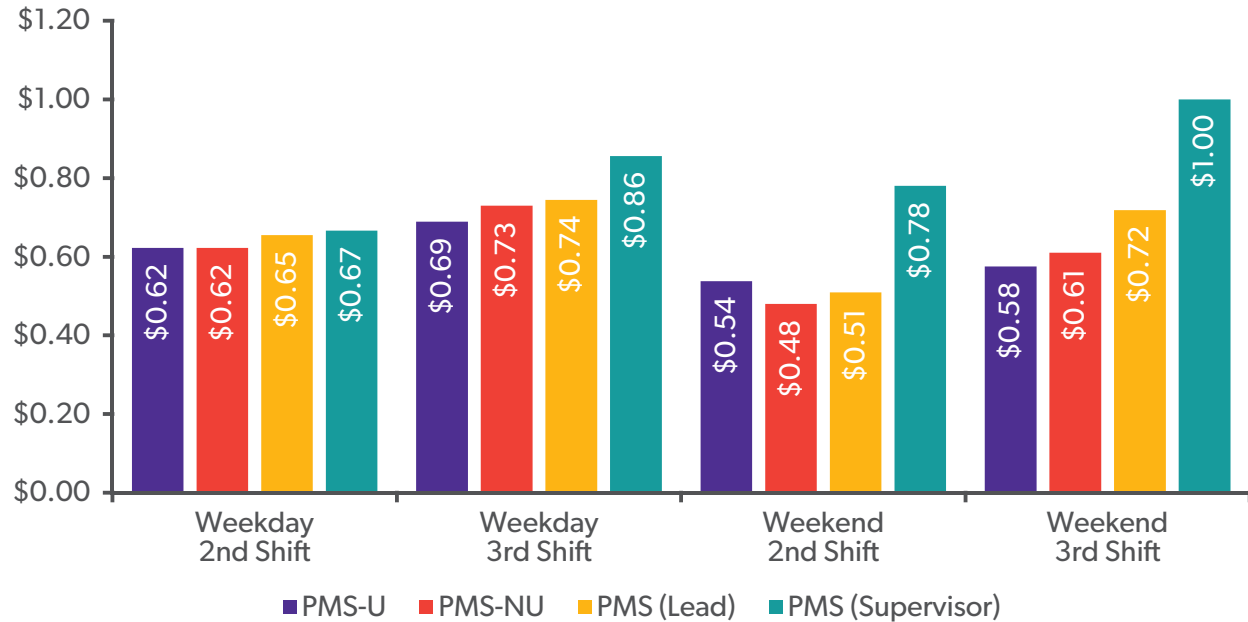
FIGURE 2 | Percent of organizations providing specific types of shift differentials

Among those organizations providing pay differentials, compensating using a flat premium amount per hour was by far the most common practice. While somewhat less commonly used, holiday shifts and double weekend shifts are the most likely to be paid as a percentage of the hourly base rate. Overall it appears that double shifts (both weekday and weekend) are used somewhat infrequently by this year's respondents.



**FIGURE 3 | Average pay differential per hour
(Only includes organizations that provide a flat premium amount per hour*)**

Flat premiums ranged from an average of \$0.48 per hour for weekend second shift PMS-NU employees to an average of \$1.00 per hour for a weekend third shift PMS (Supervisor). The lowest reported flat premium reported was \$0.20 per hour for a PMS-NU second shift worker on a weekday. The highest reported flat premium reported was \$3.00, which could to any category of worker or shift based on their tenure at the organization. In terms of the schedule of hours and days for hourly production, maintenance, and service positions in general, there was a lot of variation reported from employer to employer. The most common set hours reported for each shift were as follows: second shift – 3 p.m. to 11 p.m.; and third shift – 11 p.m. to 7 a.m.

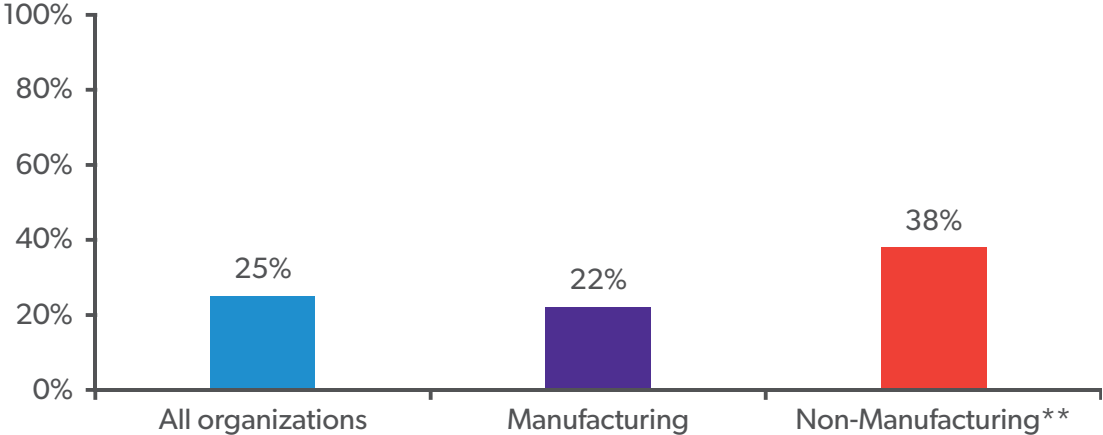


**Note: Weekend 1st, Weekday Double, Weekend Double, & Holiday Shifts were all excluded from Figure 3 due to insufficient data.*

**FIGURE 4 | Average percent of pay differential
(Only includes organizations that use a percent of hourly base rate as the differential)**

	PMS- U	PMS-NU	PMS (Lead)	PMS (Supervisor)
Weekday 2 nd Shift	n/a	6%	7%	15%
Weekday 3 rd Shift	n/a	4%	7%	15%
Weekend 1 st Shift	n/a	4%	n/a	n/a
Weekend 2 nd Shift	n/a	5%	n/a	n/a
Weekend 3 rd Shift	n/a	4%	n/a	n/a
Double Shift Weekday	n/a	n/a	n/a	n/a
Double Shift Weekend	n/a	7%	n/a	n/a
Holiday Shift	200%	183%	n/a	n/a

FIGURE 5 | Average percent premium paid to a lead or group leader over regular hourly employees



****Note:** Due to sample size, the Non-Manufacturing & Non-Profit industry breakouts were combined when calculating this mean.

OVERTIME PRACTICES

FIGURE 6 | Percent of organizations that use mandatory overtime

Enforcing at least some mandatory overtime (as needed) is a common practice among employers, used by just over two-thirds of participating employers.

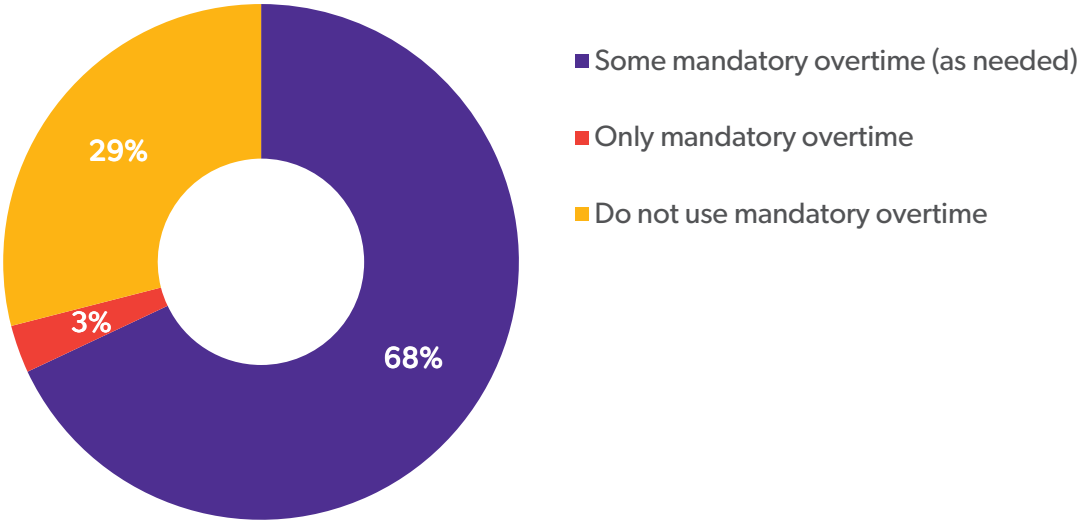


FIGURE 7 | Amount of advance notice given by organizations when overtime is needed

When communicating overtime, most organizations try to communicate the need for overtime in advance with 39% communicating it with at least 3 days’ notice and 20% communicating the need “as soon as possible”. Very few organizations indicated they would give anything less than 48 hours’ notice and this was only on rare occasions.

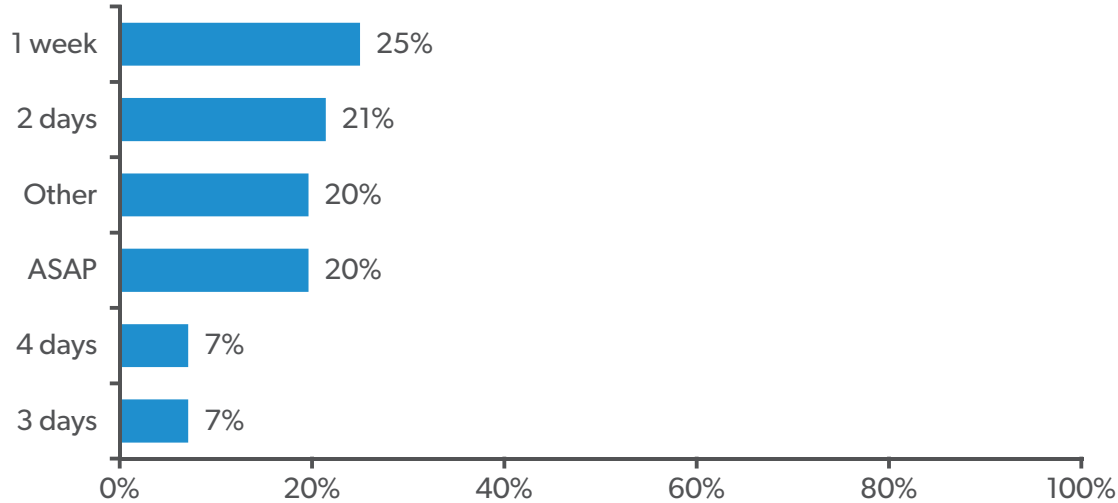


FIGURE 8 | Percent of employees that work each number of days of overtime each week

The number of days of overtime that employees work varies considerably as shown in the table below. Unless the employees are categorized as “Supervisors” most employees work only 1 day of overtime in any given week.

	1	2	3	4	5	6	7
PMS-U	47%	20%	7%	0%	20%	7%	0%
PMS-NU	48%	17%	17%	4%	8%	6%	0%
PMS (Lead)	32%	19%	19%	3%	14%	14%	0%
PMS (Supervisor)	15%	15%	19%	8%	27%	15%	0%

FIGURE 9 | Average number of overtime hours worked in a week per employee (as required/needed)

On average, employees work between 6-8 hours of overtime in a week’s time. Manufacturing organizations tended to have slightly higher weekly averages than non-manufacturing organizations no matter the type of employee.

	All Organizations	Manufacturing	Non-Manufacturing [†]
PMS-U	6.4	7.3	5.0
PMS-NU	7.5	7.9	5.7
PMS (Lead)	8.1	8.6	6.2
PMS (Supervisor)	7.9	8.4	6.7

[†]**Note:** Due to sample size, the Non-Manufacturing & Non-Profit industry breakouts were combined when calculating this mean.

FIGURE 10 | Average maximum amount of hours that an employee can work per day and per week, including overtime

Most employers limit the amount of hours employees can work in a week, reporting an average maximum amount of hours of up to about 12 hours per day and up to almost 55 per week.

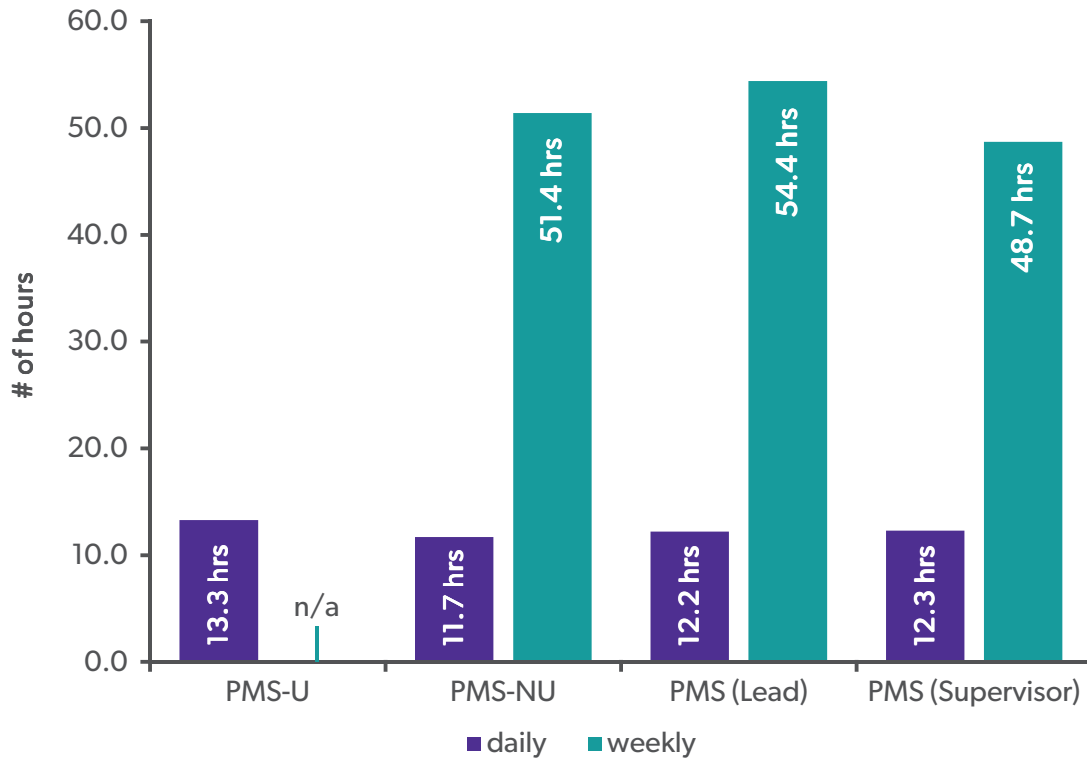


FIGURE 11 | Average percent of annual overtime pay expressed as a percentage of gross earnings

	All Organizations	Manufacturing	Non-Manufacturing [‡]
PMS-U	7%	n/a	7%
PMS-NU	14%	15%	12%
PMS (Lead)	11%	10%	13%
PMS (Supervisor)	15%	6%	26%

‡Note: Due to sample size, the Non-Manufacturing & Non-Profit industry breakouts were combined when calculating this mean.

ON-CALL PAY

FIGURE 12 | Organizations that require and/or compensate employees to be on-call (by job function)

Most employers neither require nor compensate their employees to be on-call. Although on-call policies and corresponding pay practices were not widespread among respondents, several specific job functions stood out as more likely to be required and/or compensated for being on-call, i.e., Information Technology and Maintenance.

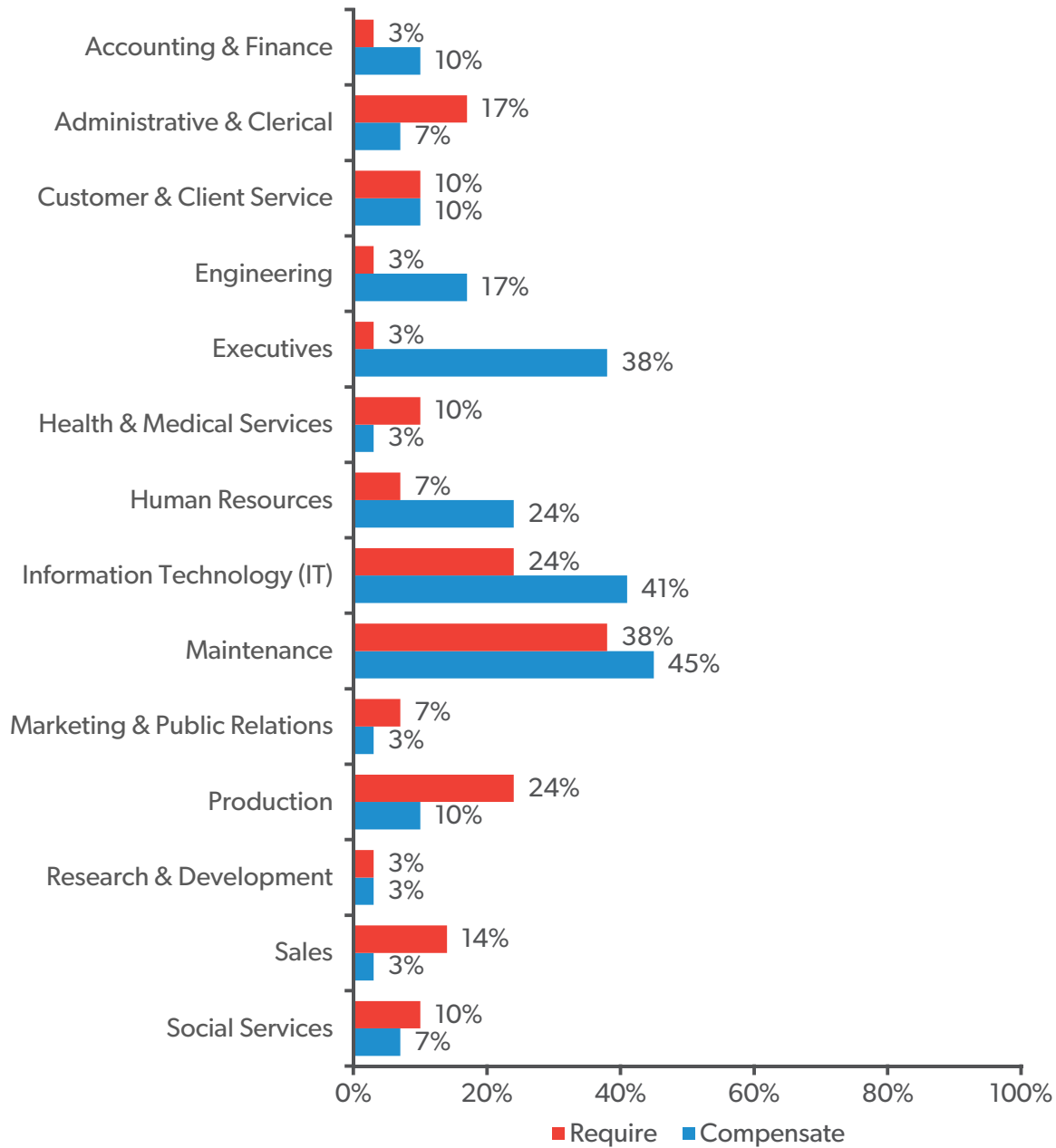


FIGURE 13 | Percent of organizations that compensate for required on-call employees

Please note that these percentages only include organizations that require employees to be on-call.

Whether or not compensation for “on-call” hours is provided is largely dependent on job function.

	Percent
Accounting & Finance	0%
Administrative & Clerical	50%
Customer & Client Service	33%
Engineering	0%
Executives	0%
Human Resources	0%
Health & Medical Services	100%
Information Technology (IT)	33%
Maintenance	54%
Marketing & Public Relations	0%
Production	100%
Research & Development	0%
Sales	100%
Social Services	50%

FIGURE 14 | Percent of organizations that compensate for required on-call employees in the following ways per function

Please note that these percentages only include organizations that require employees to be on-call.

“Overtime for time worked” was the most common pay practice used to compensate employees who are required to be on-call.

Accounting & Finance

	Percent
Flat premium amount for week on-call	0%
Flat premium amount for day on-call	0%
Flat premium amount for weekend on-call	0%
Overtime for time worked	33%
Overtime for travel time	0%
No additional compensation	67%

Administrative & Clerical

	Percent
Flat premium amount for week on-call	0%
Flat premium amount for day on-call	0%
Flat premium amount for weekend on-call	0%
Overtime for time worked	33%
Overtime for travel time	0%
No additional compensation	67%

Customer & Client Service

	Percent
Flat premium amount for week on-call	0%
Flat premium amount for day on-call	14%
Flat premium amount for weekend on-call	0%
Overtime for time worked	14%
Overtime for travel time	0%
No additional compensation	71%

Engineering

	Percent
Flat premium amount for week on-call	0%
Flat premium amount for day on-call	0%
Flat premium amount for weekend on-call	0%
Overtime for time worked	14%
Overtime for travel time	0%
No additional compensation	86%

Executives

	Percent
Flat premium amount for week on-call	0%
Flat premium amount for day on-call	0%
Flat premium amount for weekend on-call	0%
Overtime for time worked	0%
Overtime for travel time	0%
No additional compensation	100%

Human Resources

	Percent
Flat premium amount for week on-call	0%
Flat premium amount for day on-call	0%
Flat premium amount for weekend on-call	0%
Overtime for time worked	11%
Overtime for travel time	0%
No additional compensation	89%

Health & Medical Services

	Percent
Flat premium amount for week on-call	0%
Flat premium amount for day on-call	33%
Flat premium amount for weekend on-call	0%
Overtime for time worked	0%
Overtime for travel time	0%
No additional compensation	67%

Information Technology

	Percent
Flat premium amount for week on-call	17%
Flat premium amount for day on-call	17%
Flat premium amount for weekend on-call	0%
Overtime for time worked	33%
Overtime for travel time	8%
No additional compensation	58%

Maintenance

	Percent
Flat premium amount for week on-call	0%
Flat premium amount for day on-call	0%
Flat premium amount for weekend on-call	12%
Overtime for time worked	53%
Overtime for travel time	12%
No additional compensation	41%

Marketing & Public Relations

	Percent
Flat premium amount for week on-call	0%
Flat premium amount for day on-call	0%
Flat premium amount for weekend on-call	0%
Overtime for time worked	20%
Overtime for travel time	0%
No additional compensation	80%

Production

	Percent
Flat premium amount for week on-call	0%
Flat premium amount for day on-call	10%
Flat premium amount for weekend on-call	0%
Overtime for time worked	70%
Overtime for travel time	10%
No additional compensation	20%

Research & Development

	Percent
Flat premium amount for week on-call	0%
Flat premium amount for day on-call	0%
Flat premium amount for weekend on-call	0%
Overtime for time worked	25%
Overtime for travel time	0%
No additional compensation	75%

Sales

	Percent
Flat premium amount for week on-call	0%
Flat premium amount for day on-call	17%
Flat premium amount for weekend on-call	17%
Overtime for time worked	33%
Overtime for travel time	17%
No additional compensation	67%

Social Services

	Percent
Flat premium amount for week on-call	0%
Flat premium amount for day on-call	0%
Flat premium amount for weekend on-call	0%
Overtime for time worked	33%
Overtime for travel time	0%
No additional compensation	83%

RESPONDENT DEMOGRAPHICS

FIGURE 15 | Breakdown of the industries and sizes that the 67 survey respondents represent

	Percent
Industry	
Manufacturing	72%
Non-Manufacturing	18%
Non-Profit	9%
Organizational Size	
1-50	16%
51-200	48%
201-500	22%
Over 500	12%

PARTICIPATING ORGANIZATIONS

MANY THANKS TO THE FOLLOWING ORGANIZATIONS FOR THEIR PARTICIPATION IN THIS SURVEY:

Akron Energy Systems, LLC
Altercare Rehabilitation Centers
Anderson International Corp
Bettcher Industries
Bud Industries
Buyers Products Company
Cast Nylons Limited
Catholic Charities Corp
Charter Steel
City of Green
Clark-Reliance Corporation
Cornwell Quality Tools Co.
Crown Cork and Seal
Crystal Clinic
Custom Products
Dreison International
Enerco Group, Inc.
Five Star Trucking
Forest City Companies, Inc.
Gerber Poultry
Global Body & Equipment
GLT Companies
Great Lakes Brewing Co.
Hydro Tube Enterprises, Inc.
Intigral, Inc.
K&M International, Inc.
Kahiki
Kerr Lakeside, Inc.
Lake Health Hospital
Lanly Company
Laszeray Technology
LayerZero Power Systems, Inc.

Lumitex, Inc.
Majestic Steel USA
Malco Products, Inc.
McGean-Rohco, Inc.
Merritt Woodwork
Momentive
NetShape Technologies
NN, Inc.
OEConnection, LLC
OSG USA, Inc.
Polychem Corporation
Pressure Technology
Process Technology
Pyrotek, Inc.
Ranpak Corp.
Refrigeration Sales Corporation
Robin Industries, Inc.
Shiloh Industries
Software Answers, Inc.
SSP Fittings Corp.
Summers Rubber Company
Tap Packaging Solutions
The MetroHealth System
The National Telephone Supply Company
The Step2 Company, LLC
Transfer Express
Trelleborg Sealing Profiles
Tylok International, Inc.
United Disability Services
Weaver Industries
Welded Tubes, Inc.
Winter Equipment Company, Inc.

APPENDIX A: INDUSTRY BREAKOUTS

FIGURE 1a | Percent of organizations providing shift differentials

	Manufacturing	Non-Manufacturing	Non-Profit
Weekday 2 nd Shift	71%	25%	50%
Weekday 3 rd Shift	71%	42%	50%
Weekend 1 st Shift	8%	8%	0%
Weekend 2 nd Shift	35%	25%	50%
Weekend 3 rd Shift	33%	33%	50%
Double Shift Weekday	6%	0%	0%
Double Shift Weekend	10%	0%	0%
Holiday Shift	25%	17%	33%

FIGURE 2a | Percent of organizations providing specific types of shift differentials

Manufacturing

	Flat premium amount/hour	% hourly base rate	Bonus or cash supplement	N/A
Weekday 2 nd Shift	74%	23%	0%	6%
Weekday 3 rd Shift	76%	22%	0%	5%
Weekend 1 st Shift	38%	13%	13%	38%
Weekend 2 nd Shift	70%	20%	0%	15%
Weekend 3 rd Shift	77%	18%	5%	9%
Double Shift Weekday	25%	13%	13%	50%
Double Shift Weekend	38%	43%	0%	38%
Holiday Shift	40%	33%	0%	27%

Non-Manufacturing

	Flat premium amount/hour	% hourly base rate	Bonus or cash supplement	N/A
Weekday 2 nd Shift	60%	0%	0%	40%
Weekday 3 rd Shift	57%	0%	14%	29%
Weekend 1 st Shift	33%	0%	0%	67%
Weekend 2 nd Shift	60%	0%	0%	40%
Weekend 3 rd Shift	50%	0%	17%	50%
Double Shift Weekday	0%	0%	0%	100%
Double Shift Weekend	0%	0%	0%	100%
Holiday Shift	20%	20%	0%	60%

Non-Profit

	Flat premium amount/hour	% hourly base rate	Bonus or cash supplement	N/A
Weekday 2 nd Shift	60%	0%	0%	40%
Weekday 3 rd Shift	60%	0%	0%	40%
Weekend 1 st Shift	0%	0%	0%	0%
Weekend 2 nd Shift	60%	0%	0%	40%
Weekend 3 rd Shift	60%	0%	0%	40%
Double Shift Weekday	0%	0%	0%	0%
Double Shift Weekend	0%	0%	0%	0%
Holiday Shift	25%	25%	0%	50%

FIGURE 3a | Average pay differential per hour
(Only includes organizations that provide a flat premium amount per hour*)

Manufacturing

	PMS- U	PMS-NU	PMS (Lead)	PMS (Supervisor)
Weekday 2 nd Shift	\$0.61	\$0.55	\$0.61	\$0.37
Weekday 3 rd Shift	\$0.70	\$0.68	\$0.70	\$0.74
Weekend 1 st Shift	n/a	n/a	n/a	n/a
Weekend 2 nd Shift	\$0.55	\$0.43	\$0.40	\$0.30
Weekend 3 rd Shift	\$0.60	\$0.62	\$0.66	\$0.88
Double Shift Weekday	n/a	n/a	n/a	n/a
Double Shift Weekend	n/a	n/a	n/a	n/a
Holiday Shift	n/a	n/a	n/a	n/a

Non-Manufacturing

	PMS- U	PMS-NU	PMS (Lead)	PMS (Supervisor)
Weekday 2 nd Shift	n/a	\$1.25	n/a	\$1.50
Weekday 3 rd Shift	n/a	\$1.00	\$1.13	\$1.13
Weekend 1 st Shift	n/a	n/a	n/a	n/a
Weekend 2 nd Shift	n/a	n/a	n/a	\$1.50
Weekend 3 rd Shift	n/a	n/a	n/a	n/a
Double Shift Weekday	n/a	n/a	n/a	n/a
Double Shift Weekend	n/a	n/a	n/a	n/a
Holiday Shift	n/a	n/a	n/a	n/a

Non-Profit

	PMS- U	PMS-NU	PMS (Lead)	PMS (Supervisor)
Weekday 2 nd Shift	\$0.65	\$0.68	\$0.68	n/a
Weekday 3 rd Shift	\$0.65	\$0.78	\$0.78	n/a
Weekend 1 st Shift	n/a	n/a	n/a	n/a
Weekend 2 nd Shift	n/a	n/a	n/a	n/a
Weekend 3 rd Shift	n/a	n/a	n/a	n/a
Double Shift Weekday	n/a	n/a	n/a	n/a
Double Shift Weekend	n/a	n/a	n/a	n/a
Holiday Shift	n/a	n/a	n/a	n/a

FIGURE 6a | Percent of organizations that use mandatory overtime

	Manufacturing	Non-Manufacturing	Non-Profit
Some mandatory overtime (as needed)	78%	30%	60%
Only mandatory overtime	4%	0%	0%
Do not use mandatory overtime	17%	70%	40%

FIGURE 7a | Percent of organizations that communicate the need for overtime in advance

	Manufacturing	Non-Manufacturing	Non-Profit
ASAP	18%	14%	50%
2 days	20%	43%	0%
3 days	9%	0%	0%
4 days	7%	0%	0%
1 week	30%	14%	0%
Other	16%	29%	50%

FIGURE 8a | Percent of employees that work each number of days of overtime each week**Manufacturing**

	1	2	3	4	5	6	7
PMS-U	22%	33%	11%	0%	22%	11%	0%
PMS-NU	44%	21%	21%	5%	5%	5%	0%
PMS (Lead)	31%	17%	21%	3%	10%	17%	0%
PMS (Supervisor)	17%	6%	28%	6%	22%	22%	0%

Non-Manufacturing

	1	2	3	4	5	6	7
PMS-U	100%	0%	0%	0%	0%	0%	0%
PMS-NU	50%	0%	0%	0%	33%	17%	0%
PMS (Lead)	20%	20%	20%	0%	40%	0%	0%
PMS (Supervisor)	17%	17%	0%	17%	50%	0%	0%

Non-Profit

	1	2	3	4	5	6	7
PMS-U	67%	0%	0%	0%	33%	0%	0%
PMS-NU	100%	0%	0%	0%	0%	0%	0%
PMS (Lead)	37%	33%	0%	0%	40%	0%	0%
PMS (Supervisor)	0%	100%	0%	0%	0%	0%	0%

APPENDIX B: OVERTIME POLICIES

Most organizations consider all hours worked over 40 hours as overtime and therefore pay time and a half beyond this point. A few employers pay overtime after 8 hours worked in a single day regardless of the weekly hour total. Employers are split on whether or not they pay overtime based on hours accrued via vacation, holidays, or sick days. Some policies exclude these types of accrued hours since they are not technically “time worked”, some set minimum standards for how many of these types of hours can count towards meeting overtime standards, and still others explicitly include one or more of these categories in their overtime policy. Requiring supervisor approval of overtime hours in advance of working additional hours is a fairly standard practice. The full text of the overtime policies provided by participants are below.

MANUFACTURING

- Due to the nature of work, employees may be asked to work overtime on weekends, holidays, or as additional hours during the regular workday. Employees are expected to comply with such requests as a condition of employment. Refusal to work overtime may result in disciplinary action including termination of employment.

Overtime compensation is paid to all nonexempt employees at one and one-half times their straight time rate for all hours worked in excess of forty (40) hours per week. Overtime is not paid for time worked over eight (8) hours in a work day. If you are nonexempt, you must receive authorization from your supervisor before working any overtime. All overtime must be recorded on your time card. Non-exempt employees who work on Sunday are paid double time (two times their regular rate of pay).

Overtime pay is based on actual hours worked. For purposes of computing overtime, time taken for lunch or unpaid breaks are not included as time worked. Time taken off for sick leave, FMLA, jury duty, or any leave of absence will not be factored in as hours worked when calculating overtime.

There are two types of overtime work:

1. Scheduled Overtime

This is overtime work that is announced in advance. This type of overtime is required. If you need to be excused from performing scheduled overtime, please speak with your supervisor. The supervisor will take your situation into consideration along with the requirements of the operation. If possible, an employee may be excused from that scheduled overtime. If the Company cannot accommodate the request to excuse the employee from the scheduled overtime, the employee will be required to work the overtime. For long term requests to be excused from overtime as an accommodation, the supervisor should consult with the Human Resources department. Each long term request will be reviewed and a determination will be made on a case by case basis.

2. Incidental Overtime

This type of overtime is not scheduled. Incidental overtime becomes necessary in response to requests or extenuating circumstances. It may be that extra time is needed to complete work or time is needed to catch up on work that is behind or we have a special request to expedite a project for a customer. Incidental overtime may become necessary when an illness or emergency keeps coworkers from being at work as anticipated. It may require you to return to the workplace for emergencies or important work if requested. The opportunity to perform incidental overtime will be given first to the employee who normally performs the

task. If that employee cannot perform the work, the supervisor will offer the overtime to a suitable qualified person who is available to perform the overtime work.

- Any and all overtime must be approved by the authorized personnel in advance and prior to anyone working over their normal schedule.

In cases where mandatory overtime is required, notices will be posted at least 24 hours in advance. Employees are expected to work mandatory overtime unless previously scheduled vacations/appointments were approved prior to the posting.

For the purposes of calculating overtime, the workweek for 1st and 2nd shifts will begin at the start of the shifts on each Monday. The workweek for 3rd shift will begin with the start of their regular shift on Sunday night.

Overtime compensation is paid at one and one-half times the regular hourly rate for all hours totaling over forty (40) in a regular week. For the purposes of determining overtime, paid vacations, scheduled holidays, time off for jury duty, bereavement leave, and any other paid time away are included in the calculation for overtime.

- Employees that work overtime on Sunday will be paid at a rate of two times their regular hourly rate. However, in order to receive the "double time" overtime rate, employees must have worked 48 hours in the work week and must have worked the previous Saturday. If an employee fails to work the prior Saturday, but works overtime on Sunday, it will be treated at the standard overtime rate of one and one-half their regular hourly rate.

If an employee is asked to work during a regularly scheduled holiday, they will be paid at the regularly scheduled rate, straight or overtime depending on the hours worked during the week, plus the regular holiday pay for that day.

- Union Employees--time and half for Saturday, double time for Sunday and Holidays, Weekdays in excess of 8 hours
- 1.5 times base rate for actual hours worked over 40 hours in a week.
- Any hours over 40 not including bereavement or jury duty
- All hours worked in excess of 40 hours in a work week will be paid overtime (1.5 times regular rate). Salaried exempt positions are paid straight time OT after 45 hours in a work week.
- During busy periods, the Company may require employees to work extended work hours. Non-exempt employees will be paid at a rate of 1.5 times their regular hourly rate for hours worked over 40 hours per week. Exempt employees are not normally eligible for overtime; they are expected to work as many hours as required to perform the duties of the position.
- Time and a half over 40 hours
- Over 40 hours per week on regular weeks, or over 32 hours per week with one holiday, or over 24 hours per week with two holidays.
- Overtime is paid after an employee actually works over 40 hours in a work week
- Must be approved in advance.
- Overtime and Work Schedule
The Company may periodically schedule overtime or weekend work in order to meet production needs. We will attempt to give as much advance notice as possible, and we expect that all employees who are scheduled to work overtime will be at work, unless

excused by their supervisor. Otherwise, all overtime work must be pre-approved by your supervisor. Working overtime without your supervisor's approval may result in discipline, up to and including termination.

Your supervisor will inform you of the hours you are to work. Due to changing needs of our customers, your actual work schedule may vary from time to time. If it does, you will be notified by your supervisor. Management retains the right to reassign employees to different jobs and different shifts where it is necessary for the efficient operation of the Company.

- Overtime must be approved in advance by your supervisor
- Hours over 40 get overtime. Saturday work is time and a half.
- Management will make every attempt to provide 48 hours' notice for overtime; however, business needs may dictate that overtime is requested with less notice. While overtime hours are not considered mandatory, employees must notify their supervisor if they are not able to work the overtime hours. If the employee accepts the overtime and later changes his or her mind, it will be considered an absence from scheduled work hours and subject to the Attendance Policy, including any applicable attendance points.
- It may be necessary for Associates to work overtime in order to meet the needs of [Company Name's] business. Hourly (non-exempt) Associates are prohibited from working overtime or performing any work outside of their regularly scheduled working hours unless they have received prior authorization from their supervisor or manager. This prohibition extends to all types of work-related tasks, including but not limited to, checking or responding to voicemail or email messages or completing other work. Hourly (non-exempt) Associates must accurately track and report all time spent on work-related activities.
- All hours worked in excess of forty (40) hours in any one workweek will be paid at the overtime rate of one and one-half times the employee's regular hourly rate.
 1. All scheduled paid time-off will be counted as "hours worked" toward the overtime calculation (i.e., vacation, jury duty, funeral leave).
 2. Incentive Days ("free days") will be counted as "hours worked" toward the overtime calculation, but to the limit of one (1) incentive day per workweek.
 3. The Floating Holiday will be counted as "hours worked" toward the overtime calculation.
 4. Lack of work taken during the workweek will be counted as "hours worked" toward the overtime calculation.

All mandated overtime will be paid at the rate of time and one-half.

For all hours worked on Sunday, and for all hours worked on paid holidays recognized under this Agreement, employees will be paid overtime at the rate of two times the employee's regular hourly rate.

In the event the Company establishes a seven (7) day work schedule in which Saturday and/or Sunday becomes part of a normal forty (40) hour workweek, all work scheduled on Saturday or Sunday will be paid at straight time, unless the Saturday or Sunday so worked is the sixth (6th) or seventh (7th) consecutive workday. On workweeks established under this paragraph all work performed on the sixth (6th) day will be paid at the rate of one and one-half the employee's regular hourly rate and all work performed on the seventh (7th) consecutive day will be paid at the rate of two times the employee's regular wage rate. Prior

to the establishment of any seven (7) day work schedule, the Company will meet with the Union and discuss the same.

Employees receiving holiday pay for Company paid holidays that fall on Monday through Friday will be credited as regular workday hours for overtime pay computation purposes.

All overtime will be assigned to the most senior qualified employee in the classification (example: filler operator, machine operator, utility, shipping/receiving etc.) within the plant that is scheduled for overtime and who signed the overtime posting. If job class is not filled, then overtime is scheduled company-wide by most senior qualified in the classification who signed the overtime posting. If particular job in job class (example: utility) is not filled, then the job will be awarded to most senior qualified employee company-wide who signed the overtime posting.

Prior to an employee working more than one overtime shift in a day, overtime shall be equally divided amount employees who have signed the overtime posting and in accordance with seniority insofar as it is practical to do so.

Call offs in Group D, E, and F cannot be used as a basis to call in temps.

This agreement will remain in effect unless there are changes to the work schedule, in which case the Company and Union will conduct good faith discussions to modify the work practices outlined above.

Overtime shall not be assigned to temporary employees unless all regular employees have been first offered the opportunity to work the same.

The Company will be granted a two (2) hour grace period on Sundays running from 10:00 p.m. to 12:00 a.m., and on Saturdays from 12:00 a.m. to 2:00 a.m. Saturday. Overtime will not be paid during this grace period unless an employee works more than their regularly scheduled workday.

In the event that there is a Monday holiday, the Company reserves the right to schedule third shift production to begin on Tuesday evening, and finish on Saturday morning. Such hours worked on Saturday will be at straight time.

The company will post weekend overtime two (2) days prior to the scheduled overtime (i.e., Thursday for Saturday). The company will determine its need for overtime before 12:00 p.m. on Friday.

The Company will post a sign-up sheet for daily overtime at each plant, which will be for all departments. The daily overtime sign-up sheet will be plant specific. Any employee that is interested in working daily overtime at their respective plant must sign-up for available daily overtime. Only those employees that have signed up to work will be considered based on job classification and seniority. If there are no employees signed up to work, supervisors will ask for volunteers; with the first ones being asked that are working on the particular line with overtime available. If there are no volunteers, the least senior production line employee of the job classification needed will be forced to work the daily overtime.

If the Company determines that daily overtime is needed to meet production schedules or customer requirements, the Company will provide advance notice, when possible, of at least one and one half (1-1/2) hours prior to the end of the shift. However, in the event of an emergency or unforeseen circumstance, daily overtime may be scheduled on less notice. At the time of the foregoing notice an employee may request and be verbally informed of the stated emergency or unforeseen circumstance.

Upon five (5) business days advance written notice from the Union, the Company will provide the Union Committee with the overtime hours worked by Union employees during the preceding three (3) month period. The Union Committee will not request such information more than four (4) times in any calendar year.

- Time and 1/2 for anything over 40. Also time and 1/2 for anything over 8 hours per day.
- For [State Name], we pay overtime for all hours over 40 per week. For [Other State Name], we pay overtime for one department at hours over 8 per day and all others we pay overtime for all hours over 40.
- Company pays 1 1/2 times anything over 8 hours in a day.
- We pay overtime after 40 hours worked.
- Overtime is paid after 40.0 hours of paid time (including PTO time).
- Overtime paid over 40 hours worked in a week. Vacation and sick do not count towards hours worked. Holiday hours do count towards hours worked.
- Overtime compensation is paid to all non-exempt employees in accordance with federal and state wage and hour restrictions. Time off for vacation, personal days, holidays, jury duty or bereavement pay will be considered hours worked for purposes of performing overtime calculations.

Non-exempt employees will be paid one and one half times their regular hourly rate of pay for all time worked in excess of 40 hours in the same pay period week.

If an employee is requested to work on a holiday, they will receive double time pay plus the holiday pay. If you work on a weekend (Saturday and Sunday), you are eligible to receive double time, unless otherwise stated in job description or Appendix A (Supplement for Weekend Operators).

When possible, advance notification of overtime assignments will be provided. All overtime work must receive the manager's prior authorization. Overtime assignments will be distributed as fairly as practical to all employees qualified to perform the required work.

Required scheduled overtime is a condition of employment with company, Inc. While the company respects an individual's desire not to work overtime, the business conditions may require scheduled overtime. Not working scheduled overtime will be included as part of the employee's absenteeism rate.

- Company employs individuals who will work required scheduled overtime. Employees who do not work the scheduled overtime may be terminated because of their inability to work the scheduled overtime does not meet the business or customer's requirements.
- Overtime Policy
 - Voluntary Overtime:
 - Team member discretion.
 - All attendance and call-in policies apply.
 - PTO not required for unexcused absence.
 - Mandatory Overtime:
 - No team member discretion.
 - All attendance and call-in policies apply.
 - PTO required for any unexcused absence.

- Must be approved by manager before it's worked. 1 1/2 for hours over 40. Double-time for Sunday (1st shift), Saturday & Sunday (2nd shift), Friday & Saturday (3rd shift).
- When operating requirements or other Company needs cannot be met during regular working hours, employees may be required to work overtime hours. When possible, advance notification of these mandatory assignments will be provided. All overtime work must receive the supervisor's prior authorization. Overtime assignments will be distributed as equitably as practical to all employees qualified to perform the required work. Overtime compensation is paid to all non-exempt employees in accordance with federal and state wage and hour restrictions. Overtime pay is based on actual hours worked and will be paid at the rate of one and one half the regular rate of pay. Time off on personal or sick leave or any leave of absence will not be considered hours worked for purposes of performing overtime calculations. Failure to work scheduled overtime or overtime worked without prior authorization from the supervisor may result in disciplinary action, up to and including possible termination of employment. It is the responsibility of supervisors to ensure that any additional time worked is required due to operational necessity and that it is properly documented.
- Over 40 hours in a week.
- Time and a half over 40 hours. In order to be paid double time for Sunday, must be the 7th work day of the week.
- Paid after 40 hours.
- All hourly employees are allowed to work up to the maximum overtime permitted every week.
- Employees can volunteer for overtime if needed. If we don't get enough volunteers we mandate overtime as needed.
- Time and a half for all hours worked in excess of 40 per week.
- OT is mandatory if posted.

NON-MANUFACTURING

- Overtime is paid at time and a half after 40 hours in a workweek. We try to not demand OT hours.
- We pay overtime when an employee works over 40 total hours in a given week. Holidays and PTO do not count towards 40 hours worked for the purpose of overtime calculation.
- Must be approved in advance. When communicated that overtime is needed/expected, the employee is expected to be there unless they arrange with their manager/communicate they are unavailable to work that particular overtime shift/requested time.
- If employees need to work on an issue or help a customer they have the discretion to work without approval up to 5 hours a week. After 5 hours, it has to be approved by a supervisor.
- Only as needed.
- To meet customers' needs and complete special work, additional work hours (overtime) may be mandatory. For exempt professional, supervisory and administrative employees, this is a normal condition of employment that is recognized in each employee's base pay. For other employees whose jobs are considered to be non-exempt (those covered by the Federal Fair

Standard Labor Standards Act), overtime at the rate of time and one-half is paid for all hours physically worked in excess of 40 hours in any work week. All paid time off will be paid at straight time rates only and will not be added to regular hours worked for computing overtime.

NON-PROFIT

- We ask people to do it. Tied to year-end bonuses.
- Varies based on Union Contracts.
- 1.5X the regular rate of pay for all hours actually worked over 40 in a designated workweek.
- Offered to most senior employee and then through the seniority list until all overtime is picked up.
- Non-exempt employees who work in excess of forty (40) hours in a work week shall be paid at a rate of 1½ their regular hourly rate for the hours worked in excess of forty (40) hours. Unauthorized overtime may result in disciplinary action. Non-worked paid absences (PTO time: such as vacation, holidays, and personal leave) are not included in the calculation of time worked for overtime purposes. Exempt employees are not eligible for overtime compensation.

APPENDIX C: ASSIGNING OVERTIME

Before assigning overtime, many employers ask for volunteers first. Other employers make the assignment based on the skill set needed to perform the work to be completed during the overtime hours or by seniority with the company. Manufacturing organizations tend to have a more structured method for assigning overtime than do organizations in other industries. The full text of participant's methods of assigning overtime are below.

MANUFACTURING

- As needed per machine center or job function.
- Weekday--volunteers then compel if more needed from bottom of seniority list by classification. Saturday-employees can waive Saturdays. Those who don't waive get first shot at any overtime posted.
- Voluntary, mandatory if necessary. Most employees will work overtime when needed.
- Voluntary for the most part.
- 5225 Schedule it's built in.
Week 1: 36 hours
Week 2: 48 hours
Otherwise, it's voluntary for coverage or other project needs.
- Normally by department with the ability to perform on the needed product. In other words, as long as the department can do the required work, then the whole department will be assigned the overtime. If the overtime required is minimal then the operator is working on that particular need at the time is given the opportunity to work the overtime.
- Qualifications, ask down seniority and force up.
- Employees who are interested in being considered for OT - sign up on an OT board for their position. Then depending on how much OT is needed for day or weekend, goes by seniority in the position on that shift. If no one on that shift wants it - will be offered to other shifts.
- We ask for volunteers and if we don't have enough volunteers for what we need, we make it mandatory for the product/work center where OT is needed.
- Supervisor decides based on jobs needed and skills required.
- Overtime is assigned based on the department which need to work.
- Ask for volunteers. If none, it is assigned.
- We ask for volunteers first. If we don't have enough people sign up then we enforce mandatory overtime.
- We assign based on line worked.
- As needed per position.
- By department and skill level.

- Mandatory overtime would require a 6th day of production and typically is worked in full day increments.
- In order to meet customer needs and to complete special work, [Company Name] may require employees to work daily and/or weekend overtime. The company will attempt to distribute overtime in an equitable manner among full time employees normally assigned in the department to do the work that is available.
- Assigned based on business needs, work cell and skill on the job.
- If mandatory must work unless a good reason prevents them, try and be reasonable. If not mandatory ask around and find someone who would work the hours. Typically we can find someone who wants the overtime hours and pay.
- Either sign-up, seniority or last person on the line in the position required to work overtime on that day.
- Union - fairly distributed. Tracking of OT to ensure equal distribution.
- OT equalization - by seniority.
- It is based on seniority and volunteering.
- Based on customer delivery dates and machines needed to get the work out.
- Designate approved overtime weekly on voluntary sign-up sheet posted at beginning of month.
- Based on skills needed and who wants the hours.
- Based on the order and who is trained. Overtime is typically openly requested unless there are no volunteers. We work a 4/10 (Mon-Thurs) schedule so overtime typically occurs on Fridays.
- As needed to a qualified person.
- Start with most senior and work our way down the list.
- (1) Who normally works the job during the week. (2) Qualified persons on the shift.
- Supervisor driven.
- Leaders go around and ask employees if they would like to work overtime. If they don't get enough volunteers they go through the roster and assign by who hasn't worked until everyone gets a turn.
- Each department determines this. Some rotate some as for volunteers.
- (1) To the employee who performed the work during the scheduled shift. (2) Qualified volunteers.
- OT is posted on Tuesday, for the following Saturday.

NON-MANUFACTURING

- Overtime is automatically assigned based on our rules through our time and attendance system.

- Varies by department based on needs.
- Many sites have rotating lists. We ask for volunteers first.
- On a volunteer basis.

NON-PROFIT

- First come first served. We don't do it often so people tend to jump at the chance.
- Generally, offered to the employee in the job class of the division who has the least amount of OT credited.
- We don't have any method in place. If overtime is needed, employees are asked to work.

APPENDIX D: ON-CALL PAY POLICIES

Most organizations only pay employees who are on-call if they are actually called in to work beyond their typical work hours. However, as the policies below indicate, employers tend to set a minimum number of hours for which employees will be compensated, even if the total number of on-call hours is under that minimum threshold. The full text of participant's on-call pay policies are below.

MANUFACTURING

- If called in employee gets 2 hours of additional pay, mostly used in maintenance and IT.
- Pay 2 hours a week, compensate if they work beyond that.
- We pay on-call staff \$50 per weekend they're assigned to be on call and they receive 5% premium on any hours actually called in (3-hour minimum).
- If called in will receive a minimum of 3 hours overtime pay.
- For 2.0 hours or less time spent in the plant, 4 hours straight time will be paid. Any time in excess of 2.0 hours will be paid at double time.
- An on-call employee who is called back to work outside his or her normal work schedule shall be paid for the time worked (including travel time) or a minimum of two (2) hours, whichever is greater. Time worked while on call will be calculated at the employee's regular rate of pay. If an on-call employee is not called back, no pay will be earned. Overtime compensation is applicable only when total hours worked exceed 40 hours in a workweek.
- Only paid if called.

NON-MANUFACTURING

- Each week an employee is on call they receive \$150. If an employee is nonexempt, they also get paid overtime for any hours spent on a call. If an employee is exempt, they receive the \$150 stipend, but not additional pay for time spent on calls.

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