

## Fringe Benefit Time and Work Periods

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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## Fringe Benefit Time and Work Periods

**Reference Number:** MTAS-1202

If an employee is on a one-week work period:

- The employee actually works 46 hours in a week (whether by the scheduled shifts or due to extra hours worked outside the schedule).
- Number of hours in excess of the overtime threshold is three.
- *Three hours must be compensated at one and one-half times the normal rate of pay.*

The following week:

- The employee takes the week off on vacation.
- *The employee is paid for 40 hours of vacation.*

Now, let's consider the impact if the employee is on a two-week work period:

- The employee actually works 46 hours in a week (whether by the scheduled shifts or due to extra hours worked outside the schedule).

The following week:

- The employee takes the week off on vacation.
- The employee actually worked 46 hours in the work period and is paid for an additional 40 hours of vacation time.
- *The overtime threshold for a two-week work period is 86 hours. Since the employee worked only 46 hours in the work period, the employer pays the employee for 46 hours at the regular rate of pay and for 40 hours of vacation time at the regular rate of pay. There is no overtime for the work period.*

For the purposes of illustration, these examples have used one- and two-week work periods. The “leveling” impact is increased with a four-week work period. The four-week work period is particularly advantageous when the police department uses longer shifts, such as 12-hour shifts. Twelve-hour shifts often result in significant fluctuations in the number of hours worked from one week to the next. The use of 12-hour shifts most often results in employees being scheduled to work 48 hours in some weeks and 36 hours in other weeks. It is difficult to “level” the number of hours worked in a two-week work period, let alone a one-week work period. The following example illustrates how a four-week work period is scheduled.

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