

Aside from normal overtime, is there such a thing as mandatory holiday pay?

Q. Our business has recently started staying open on certain national holidays, including Thanksgiving and New Year's Day. One of our employees was adamant that he was entitled to "holiday pay" for the time he worked on Thanksgiving, which he maintained was equal to 150% of his normal wage, even though he was not entitled to overtime that week. Do we have to pay a premium wage to employees who work on a federal holiday?

A. There is a common misconception that, under federal or Indiana state law, an employer is required to pay employees a premium rate of pay for work performed on nontraditional workdays (e.g., Sundays and holidays such as Christmas, New Year's Day or Thanksgiving). This simply is not the case.

Unless agreed to as part of a contractual or collective bargaining agreement, an employer is required to pay employees a premium only for work performed in excess of 40 hours in a workweek. The calculation of overtime under this single workweek method applies no matter the employer's payday schedule or what specific days are worked.