

PREMIUM PAY PROGRAM CHECKLIST

1. Adopt a written policy defining premium pay program that does all the following:

- Sets eligibility parameters for receiving premium pay*
- Specifies time-period for awarding premium pay*
- Indicates if different eligibility criteria will be used for retroactive payments vs. prospective payments*
- Specifies how payments will be calculated*
- Specifies how payments will be distributed*
- Sets document retention requirements*
- Documents procedures for determining eligibility based on parameters.*
- Assigns roles and responsibilities for implementing the program*
- Establishes periodic monitoring and other internal controls*

2. Identify eligible employees and document number of workers to be served

3. Identify if eligible employees meet the following requirements. If they do not, articulate additional justification for their inclusion.

1. Less than or equal to 150% of state/county average annual wage,
OR
2. Not exempt from FLSA overtime provisions

4. Calculate estimated total costs of program

5. Implement premium pay program

6. Document number of workers that receive premium pay

7. Track total obligations and expenditures for premium pay

8. Implement monitoring and other internal controls

9. Report on program according to US Treasury guidelines

Essential Work

(1) Not teleworking

(2) Involves:

- Regular in-person interactions; OR
- Regular physical handling of items that were handled by others.

Note

US Treasury requires a local government to prioritize low- and moderate-income workers when awarding premium pay

Per-Person Maximums

(1) Up to \$13 per hour

(2) Overall (*not yearly*) total per employee payout is \$25,000

Additional Written Justification

Must include a description of the eligible workers' duties, health, or financial risks faced due to COVID-19, and why the local government determined that the premium pay was responsive despite the worker's higher income.

For more detailed information on developing a premium pay program, check out the [Coates' Cannon blog linked here!](#)