

Hazardous Duty Pay Policy: By Position and Location

Recognition that Hazardous Duty Requires Compensation

It is the nature of [Company Name]'s business that some employees must perform hazardous duties or duties in hazardous locations, or both. [Company Name] recognizes that employees must be compensated for their willingness to take on hazardous duties.

Scope

All full- and part-time employees assigned to positions or job locations classified as "hazardous" are eligible for hazard duty pay. Hazard duty pay (HDP) is a supplement to the employee's base pay. Employees may receive HDP while holding a specific position (HDP-P) or a location (HDP-L) that has been classified as hazardous. Employees may not receive HDP differentials for both position and location. Employees that hold a position in a location that has been classified as eligible for HDP will receive the differential pay that provides the greater monetary benefit.

Hazard Duty Pay—Position (HDP-P)

Employees in positions eligible for HDP-P will receive the pay differential after completing six months of service with the company. Upon approval, the employee will receive five months of HDP-P in the first pay period following the initial six-month period. Thereafter, HDP-P will be paid one month in arrears in the last paycheck of the month. For example, the employee will receive HDP-P for January in the last paycheck in February.

HDP-P will be paid for all hours worked and for paid time off while in the position. HDP-P will not be paid when the employee is on an unpaid leave of absence.

HDP-P is paid based on years of service. See Table A for the current HDP-P allowance.

Table A

Number of Years Service	Monthly Hazardous Duty Pay
0-1	\$20.00
2-5	\$50.00
6-10	\$100.00
11-15	\$150.00
16	\$160.00
17	\$170.00
18	\$180.00
19	\$190.00

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20+	\$200.00
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Hazard Duty Pay—Location (HDP-L)

Employees assigned to locations eligible for HDP-L will receive the pay differential beginning on the first day of the assignment to the specific location. HDP-L will be prorated based on the number of days in the location for employees not serving a full month in the assigned location. HDP-L will be paid one month in arrears in the last paycheck of the month. For example, the employee will receive HDP-L for January in the last paycheck in February.

HDP-L is paid as a percentage of the employee base pay. The company uses the danger pay rates established by the U.S. Department of State for employees assigned to locations outside the United States and U.S. territories. HDP-L for employees assigned to locations inside the United States or U.S. territories will receive 25% of their base pay. Neither overtime, holiday pay nor any other premium pay is factored into the base rate to determine the HDP-L rate.

HDP-L will not be paid when the employee is on an unpaid leave of absence or on paid leave away from the assigned location. HDP-L will resume when the employee returns to the assigned location.

Tax Issues

According to the Internal Revenue Service (IRS), hazard duty pay (HDP-P and HDP-L) is considered taxable income. These amounts will be included on the employee's W-2.

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