

Benefits and Leaves: Holidays and Holiday Pay Policy

Subject: Human Resources

Policy: Holidays and Holiday Pay Policy

Effective Date:

Revised:

Review Date: Three (3) years from Effective Date above

Responsible Party: University Human Resources

Applicability: This policy applies to all employees except short-term workers and student workers; employees subject to a collective bargaining agreement should consult the applicable [collective bargaining agreement](#)

1. INTRODUCTION AND PURPOSE

This policy establishes university policy related to holidays and holiday pay for employees who are required to work on holidays. In accordance with [Board of Regents Policy 708.1.1](#), Montana State University has adopted the Montana Department of Administration's rules on holidays as modified by [Board of Regents Policy 801.5](#), and this policy is intended to be in compliance with those rules.

2. HOLIDAYS

The following days are university holidays:

New Year's Day	January 1
Martin Luther King Day	third Monday in January
Presidents' Day	third Monday in February
Memorial Day	last Monday in May
Independence Day	July 4

Labor Day	first Monday in September
Indigenous Peoples Day (formerly Columbus Day)	exchanged for day after Thanksgiving
General Election Day	as scheduled
Veterans' Day	November 11
Thanksgiving	fourth Thursday in November and day after
Christmas Day	December 25

3. HOLIDAY EXCHANGE

The Commissioner of Higher Education may designate any of the following business days as holidays for all employees of a campus in exchange for the same number of legal holidays enumerated in [Section 1-1-216](#), MCA:

- a. the Monday before Christmas Day or New Year's Day if either holiday falls on Tuesday, or
- b. the Friday after Christmas Day or New Year's Day if either holiday falls on Thursday.

Indigenous People's Day is exchanged for the Friday following Thanksgiving Day. If a holiday falls on Sunday, the Monday following is the observed holiday. If the holiday falls on Saturday, the preceding Friday is the observed holiday. State primary election days are not holidays.

4. ELIGIBILITY

To be eligible for holiday benefits, an employee must be in a pay status on the employee's last regularly scheduled working day before the holiday and the employee's first regularly scheduled working day following the holiday.

5. HOLIDAY LEAVE AND BENEFITS

- a. Eligible full-time employees receive the day off, with pay, on the days designated for the observance of the holidays. Part-time employees receive pay for the holiday on a prorated basis. Holiday leave pay shall not exceed eight (8) hours per holiday.
- b. The university may require an employee to work on any day that is designated for the observance of the holiday. If required to work, the employee will be compensated as provided in the "Work on a Holiday" sections below.
- c. An employee who is scheduled for a regular day off on a day observed as a legal holiday shall receive a day off with pay either 1) on the day preceding the holiday; 2) on another day

following the holiday in the same workweek; or 3) as requested by the employee and approved by the employee's supervisor, whichever allows a day off in addition to the employee's regularly scheduled days off ([2-18-603, MCA](#)).

- d. Holiday benefits are calculated based on an employee's regular schedule.
- e. Holiday benefits are received for the holiday or the observed holiday but not both.
- f. Holiday pay is paid to an employee on a qualified [Family Medical Leave Act \(FMLA\)](#) leave if the employee is in pay status when the holiday occurs.

6. WORK ON A HOLIDAY: NON-EXEMPT EMPLOYEES

- a. An employee who is eligible for overtime under the [Fair Labor Standards Act \(FLSA\)](#), and who is required by the university to work on a day a holiday is observed, shall be paid according to one of the two options at the supervisor's discretion. The employee may either:
 - i. Receive the regular rate for the hours worked on holiday and receive an equivalent number of hours off at the regular rate; or
 - ii. Receive one and one-half times the regular rate for the hours worked on the holiday and receive holiday benefit hours paid at the regular rate.
- b. The employee must request, and the employee's supervisor must approve, the date for taking equivalent hours off. The supervisor may deny the request if the employee's attendance is needed.
- c. If the employee has not been able to take the equivalent hours off by March 31 in the following year, the university will cash it out. The payment will be included in the pay period that includes March 31, by paying the employee's regular rate for each hour that has not been taken off. These hours are cashed out as a lump-sum payment as supplemental income and taxed accordingly.
- d. Hours worked on a holiday may result in more than forty (40) hours in a pay status during the workweek. An employee may not receive both one and-one- half-time holiday pay and overtime pay for the hours worked on a holiday. The holiday benefit pay will be paid at the regular rate.

7. WORK ON A HOLIDAY: EXEMPT EMPLOYEES

An employee who is exempt from overtime under the FLSA and is required to work on an observed holiday shall receive the holiday pay and can take an alternative day off in the same pay period.

8. SPECIAL SITUATIONS

Full-time employees normally scheduled to work more than eight (8) hours on a holiday will only receive eight (8) hours of holiday pay. They may take the additional hours as annual leave or leave without pay, or with the supervisor's approval, they may work the additional hours on another day during the same week.

- a. If the employee would be eligible to receive more than forty (40) hours of pay because of the holiday, the department may require the employee take off an equivalent number of hours without pay in the same work week to maintain forty (40) hours of pay for a week.
- b. When an employee transfers to another department immediately before a holiday and is in a pay status on the first day after the holiday, the receiving department shall pay the employee for the holiday.
- c. Holidays for employees on sick or annual leave are considered paid holidays and are not charged as sick or annual leave.