

DEPARTMENT OF THE NAVY

PUGET SOUND NAVAL SHIPYARD
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BREMERTON, WASHINGTON 98314-5001

Canc: Nov 03
IN REPLY REFER TO

NAVSHIPYDPUGETNOTE 7420
Code 600
26 Nov 2002

NAVSHIPYDPUGET NOTICE 7420

From: Commander, Puget Sound Naval Shipyard

Subj: PAYMENT FOR STAND-BY/CALL BACK TIME

Ref: (a) Code of Federal Regulations, Title 5, Volume 1, Revised
1 Jan 2002; Part 551, Subpart D, Section 551.431
(b) NAVSHIPYDPUGETINST P7410.4E; Timekeeping, Payroll, and Labor
Cost Distribution Manual

1. Background. The purpose of this notice is to ensure Shipyard supervisors and managers are aware of federal pay regulations governing when it is appropriate to compensate employees in a "stand-by" status.

2. Discussion

a. To be legally compensated, an employee must be in a work status. Although an employee may be considered in a work status if placed in a "stand-by" status, certain requirements must be met, as defined by references (a) and (b), to qualify as hours of work. Those conditions are:

(1) The employee is restricted by official order to a designated post of duty and is assigned to be in a state of readiness to perform work, with limitations on the employee's activities so substantial that the employee cannot use the time effectively for his or her own purposes. This means that employees wearing a pager, having a cell phone, or simply remaining at their residence, free to watch television, eat, sleep, etc., are not eligible for compensation, as their activities are not restricted or so substantially limited that they cannot use the time effectively for their own purposes; or

(2) An employee is not considered restricted for "work-related reasons" if, e.g., the employee remains at the post of duty voluntarily, or if the restriction is a natural result of geographic isolation. For example, while on sea trials, the fact that the employee has limited mobility when relieved from duty (the normal 8-hour work shift) would not be a basis for finding that the employee is restricted for work-related reasons, thus the employee may only be compensated for the hours actually worked.

b. Time spent in an "on-call" status commonly referred to as "call back" time shall not be considered hours of work if:

(1) The employee is allowed to leave a phone number or carry an electronic device for the purpose of being contacted, even though the employee is required to remain within a reasonable call-back radius; or

(2) The employee is allowed to make arrangements such that any work that may arise during the "call back" period will be performed by another person.

3. Policy. We will be good stewards of the taxpayers' money entrusted to us by Congress to spend wisely and for the purpose intended. I expect every manager of this Shipyard to read and understand this notice. "Stand-by" time shall not be paid unless the employee is required to be at a designated work site within the Controlled Industrial Area, on a ship, or at one of our off-station work sites, in a state of readiness to perform work.

4. Action. All managers will work with their employees to ensure that the appropriate personnel coverage is available when not required to be on-site by using electronic means, placing employees "on-call." Additional questions on this policy should be directed to the Human Resources Office, Code 1110.

/s/
J. C. ORZALLI

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NAVSHIPYDPUGETINST P5215.1M

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