



# Supervisor Premium / Lead Pay Template

Define what leads and supervisors are paid extra for, how much, and whether it's temporary — before the premium erodes or the FLSA notices.

### WHAT THIS HELPS YOU DO

Use this template to design and document supervisor and lead pay premiums — tying the premium to actual authority, setting a defensible differential, and scheduling the review that keeps it from eroding.

## WHEN TO USE THIS DOCUMENT

- When creating or filling any lead or supervisor role
- When a lead 'temporarily' covers supervision with no end date
- When overtime lets crew members out-earn their leads
- Before calling a lead 'exempt' because of the title
- At annual comp review, for every premium on the books

## WHAT THIS DOCUMENT HELPS PREVENT

- Premiums that no longer buy any actual supervision
- Leads out-earned by their own crews and quitting the responsibility
- 'Temporary' acting pay that becomes permanent by neglect
- Exemption mistakes — a lead premium does not make anyone exempt
- Inconsistent differentials across shifts and departments

*Faulkner HR Solutions focuses on the system behind the people problem. This tool is designed to help employers slow down the decision, identify the risk, and create proof before the issue becomes a claim, complaint, turnover event, or credibility problem.*

## BEFORE YOU START: READINESS CHECKLIST

Gather the following before working through this document. Incomplete inputs are one of the most common reasons employer decisions fail under later scrutiny.

Have it	Input	Notes / location
<input type="checkbox"/>	Employee name and role	
<input type="checkbox"/>	Date of incident, request, or separation	



Have it	Input	Notes / location
<input type="checkbox"/>	Supervisor involved	
<input type="checkbox"/>	Policy or handbook section that applies	
<input type="checkbox"/>	Prior documentation on file	
<input type="checkbox"/>	Pay records, if applicable	
<input type="checkbox"/>	Relevant emails, texts, notes, or complaints	
<input type="checkbox"/>	Decision-maker name	
<input type="checkbox"/>	Deadline, if applicable	



## PREMIUM DESIGN TEMPLATE

Pay premiums buy something specific: accountability, direction, coverage. Define what this premium buys, price it, and date its review — or watch it drift into meaninglessness.

### Part 1 — Role Distinction

If this table doesn't clearly differ from the base role, you're paying a premium for a title.

Dimension	Base role	Lead / supervisor role
Assigns and checks work		
Handles schedule / call-offs		
First-line coaching / discipline input		
Input on hiring and reviews		
Accountable for shift/team output		

### Part 2 — Authority Level

Has it	Authority granted (in writing)	Limits
<input type="checkbox"/>	Direct the work of others day-to-day	
<input type="checkbox"/>	Approve/deny shift swaps or minor schedule changes	
<input type="checkbox"/>	Document incidents and escalate discipline	
<input type="checkbox"/>	Stop work for safety or quality	
<input type="checkbox"/>	Provide formal input to reviews and hiring	
<input type="checkbox"/>	NOT granted (list explicitly to prevent drift)	

### Part 3 — Premium Structure

<b>Structure (added % / flat hourly adder / separate rate / salary band)</b>	
<b>Premium amount and resulting differential over highest-paid direct report (% — target 10-15% minimum)</b>	
<b>Differential when crew overtime is typical (model a heavy-OT month)</b>	



<b>Reason for the amount (market data, internal ladder, coverage burden)</b>	
<b>FLSA status: premium included in regular rate for the lead's own overtime?</b>	

**Part 4 — Temporary vs. Permanent**

<b>Status (permanent / acting / project / pilot)</b>	
<b>If temporary: start date, end date, and what happens at the end</b>	
<b>Acting premium removal communicated in advance? (avoid surprise pay cuts)</b>	
<b>Auto-review trigger if 'temporary' passes 90 days</b>	

**Part 5 — Exemption Guard**

Confirmed	Guard	Notes
<input type="checkbox"/>	Lead premium does NOT convert the role to exempt — classification runs through the duties test separately	
<input type="checkbox"/>	If exempt status is claimed: Exempt vs. Nonexempt Classification File completed	
<input type="checkbox"/>	Nonexempt leads' premiums flow into overtime calculations	

**Part 6 — Review Schedule**

Review date	Differential still ≥ target?	Duties still match Part 1?	Action

Role	Name / signature	Date
<b>Prepared by</b>		
<b>Approved by</b>		



## STOP AND REVIEW BEFORE ACTING

If any statement below is true, pause. Get the decision reviewed by HR, counsel, or Faulkner HR Solutions before you act.

- A lead's crew out-earned them last month once overtime posted.
- An 'acting' premium is 14 months old.
- The premium exists but Part 2's authority list would be empty.
- A lead was reclassified exempt on title alone.
- Different shifts pay different premiums for identical roles.

## MINIMUM DOCUMENTATION STANDARD

Before this file is closed, the employer should be able to answer every question below and point to where the proof lives.

Question	Your answer / where the proof is stored
What happened?	
When did it happen?	
Who observed or reported it?	
What policy, standard, deadline, or expectation applies?	
What decision was made?	
Who had authority to make the decision?	
What alternatives were considered?	
What risk was reviewed?	
What follow-up is required?	
Where is the proof stored?	

## COMMON MISTAKES

1. Pricing the premium once and never re-checking it against crew overtime reality.
2. Granting the title and premium without granting — in writing — any actual authority.
3. Letting acting premiums run indefinitely, then cutting them by surprise.
4. Excluding the premium from the lead's own overtime rate (FLSA violation).
5. Assuming 'supervisor' in the title means exempt under the duties test.
6. Negotiating premiums individually until no two leads cost the same.



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## WHAT TO DO NEXT

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Adopt one premium structure per role family, paper the authority grants, and calendar the reviews. If any lead is currently out-earned by their crew, treat it as this quarter's problem — the premium that doesn't pay is the resignation you haven't received yet.

**Before you terminate, deduct, discipline, classify, or respond, get the decision reviewed.**

Call 210.446.8730 or email [thomas@faulknerhrsolutions.info](mailto:thomas@faulknerhrsolutions.info).



***Before you process payroll, terminate, classify, deduct, or respond to a claim, get the decision reviewed.***

### **Need help applying this to a real workplace decision?**

Faulkner HR Solutions helps Texas employers, nonprofits, municipalities, and growing businesses fix the people systems behind recurring workplace problems.

**If this document raised a risk flag, do not guess your way through the next step.**

**Call: 210.446.8730**

**Email: [thomas@faulknerhrsolutions.info](mailto:thomas@faulknerhrsolutions.info)**

**Website: [faulknerhrsolutions.info](http://faulknerhrsolutions.info)**

#### **DISCLAIMER**

This resource is provided for general employer education and planning purposes. It is not legal advice and does not create an attorney-client relationship. Employment laws, agency guidance, and local requirements may change. Employers should review the facts of each situation before acting and consult appropriate HR or legal counsel when needed.