

# Standby and Call Out Pay



An Amicus guide  
for members



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# ■ INTRODUCTION

For many employers the need to plan for a variety of situations that may arise outside normal working hours is crucial to their activities. Typically this involves drawing up a formal rota of standby duty. However, there may be circumstances that in emergencies staff may have to be called upon whether they are on the rota or not. Therefore, whilst for many workers the arrangements can provide the opportunity to increase their income and work flexibly, there are also many issues that need to be addressed by Union representatives when negotiating call out and stand by arrangements with employers.

For instance in certain circumstances, incidents can be dealt with from home, either on-line or via the telephone and there is no need to return to the workplace. Standby and call-out payments will be reflected in the diversity of these arrangements.

## ■ Standby and call-out pay as a package

In most organisations standby and call-out payments are closely interrelated and generally need to be seen as a complete package. Most pay separately for each element, the relative weighting of each usually reflects the likelihood of being called out. In organisations where the likelihood of a call-out is high, it is quite common for compensation for being on standby to be relatively high. Rather than paying employees a large premium for each occasion they are called out, an annual retainer added on to base salary, with relatively low call-out payments, may be a suitable means of compensation. Conversely, where call-outs are infrequent and less likely, organisations may offer relatively low payment for being on standby and a higher payment for actual call-outs.

## ■ Other factors that affect payments

The level of inconvenience to the employee of standby duty and call-outs is an important factor influencing the level of compensation. This relates both to the time of the standby cover and to the restriction placed on the individual. Payments are generally higher at weekends and during unsocial hours (e.g. after midnight.) Bank holidays usually attract higher compensation and employees may sometimes receive a day off in lieu in addition to other payments for being on standby or responding to a call-out on such occasions. Call-out payments tend to be higher still when it is necessary for staff who are not actually on standby to be called out to work.

Organisations should provide employees on standby duty with pagers or mobile phones so they can minimise the impact on their lives outside work. However, staff on standby may in some cases be required to stay at home or at least within easy travelling distance of the workplace. There are likely to be rules on the consumption of alcohol so that employees are in a fit and proper condition to report to work if called upon. Again, the level of payment should correspond to the level of restriction attached to standby duty.

In technical areas incidents that arise in the workplace can sometimes be dealt with from home either on line or over the phone. Payment for this type of 'call-out' may be lower as the impact on the employee's life is not as significant.

## ■ Standby arrangements

Approaches to arranging standby cover differ according to the circumstances and needs of particular organisations. Employers are usually in a position to make a reasonable prediction about the likelihood of call-outs and can therefore arrange a rota that is suitable for providing adequate cover. It is usually left to local managers to determine the extent of standby cover in specific locations or to draw up schedules in anticipation of need. Depending on their specific needs, organisations may arrange rotas so that some employees are on standby duty more often than others.

## ■ Voluntary or contractual

Certain jobs within an organisation may carry a contractual obligation for staff to be on a standby rota, whereas other employees may volunteer to be part of it but not forced to do it. Contractual standby is more likely in industry sectors where certain jobs support “business critical” operations or where employees have to respond to emergencies of various kinds. In some cases, whether or not standby is voluntary may be directly reflected in the level of payments.

## ■ What standby cover entails

It is generally a specific requirement that while on standby, employees must be continuously available and fit and able to attend work as soon as they are contacted. Some organisations for safety reasons categorically state that employees must not consume alcohol or take drugs. Proximity to the workplace may be important and companies often stress that staff have to remain within a reasonable distance of work.

It is generally expected that staff are contactable, however staff on standby should not necessarily be expected to remain at home and should be provided with mobile phones or pagers, which they should carry at all times when on standby. They can also be asked to leave a telephone number on which they can be contacted. The standby payment can vary with the level of commitment involved.

## ■ Payment methods

There are two principle methods; per-period payments and annual allowances. Many organisations pay rates for set periods of standby cover, e.g. weekly standby payment. The level of inconvenience caused by a period of standby means that payments should be higher in the early hours of the morning, at weekends or on public holidays.

Extra payments may be added onto a flat-rate weekly allowance to take into account the inconvenience level of a given standby period, e.g. additional daily payments at a variable rate for Monday-Friday, Saturday, Sunday and bank holidays. Rates for periods of standby may be calculated as a percentage of salary instead, e.g. 15% of an employee's basic hourly rate for every completed hour of standby, rising to 25% on bank holidays.

Standby payment can also take the form of an annual allowance or retainer added onto basic salary. Additional days leave can also be awarded in addition to standby pay.

## ■ Help with costs

In addition to any standby payments, employers should assist employees with some of the other costs that are incurred as a result of standby arrangements. This could mean supplying the employee with a mobile phone, pager or laptop or contributing to telephone rental charges.

## ■ Call out pay

Employees may be called upon to return to work to repair essential equipment, cover for sickness absence or assist in an emergency situation. Payment for such call-outs takes a variety of forms including specific call-out allowances, overtime payments, TOIL, or a combination of these.

## ■ Is Call out time covered by the Working Time Regulations?

On 3 October 2000 the European Court of Justice gave judgement in a case concerning the status of 'on-call' time. The judgement related to doctors employed in primary health care teams though a similar approach may now be taken in other areas. It indicated that 'on-call' time would

be working time when a worker is required to be at his place of work. When a worker is permitted to be away from the workplace when 'on-call' and accordingly free to pursue leisure activities, on-call time is not 'working time'.

So working hours can include time on call provided that the employee has to remain on the employer's premises, even if not obliged to work. Where someone is on call but not required on the premises, hours on call are not counted. However, in line with the Working Time Regulations, organisations have to ensure that suitable rest periods are taken between a call-out and the employee's next working period.

## ■ Call-out payments

Call-out payments tend to vary primarily with the level of inconvenience caused. In general payments are higher for nights, weekends and bank holidays. Payments for call-outs come in various forms:

- Overtime pay for a guaranteed minimum number of hours
- A flat-rate sum per call-out
- Time off in lieu
- A combination of these approaches.

## ■ Guaranteed overtime payment

This is an overtime payment based on a minimum number of hours, even if employees do not have to attend for the full period. Payments can range from 30 minutes to four hours. Because the payment is at the appropriate overtime rate, it tends to be higher at the weekends and bank holidays although some companies have a fixed overtime rate for call-outs whenever they occur. Where the call-out lasts longer than the minimum period, any additional hours worked would also usually be paid for at the appropriate overtime rate.

## ■ Flat rate per call-out

Some organisations pay a flat-rate allowance irrespective of the time worked, e.g. £18.00 per incident.

## ■ Time off in lieu

Call-outs can be rewarded with TOIL instead of overtime payments. Again, this can be based on a system of a guaranteed minimum with extra hours at the appropriate rate. TOIL can be paid at a premium e.g. at time + ½.

## ■ Combining Payments

Workers can be compensated for call-out by a combination of the above methods. A number of companies pay a call-out allowance in addition to the guaranteed minimum overtime payment. A mixture of overtime and TOIL is particularly common for call-outs on bank holidays.

The types of payments should be negotiated with the employer after consultation with the workforce.

## ■ Multiple Call-outs

It is possible that an employee may have to be called out more than once in a single period of standby duty. Approaches to payment in such circumstances can vary enormously. Some organisations treat additional call outs as if it had been the first call-out of the standby period, e.g. provide the guaranteed minimum payment for each call out. In other companies the minimum overtime payment carries over to subsequent call outs and a second guaranteed minimum payment would only be given if the total time exceeded the first overtime period. This approach ensures that someone who has worked on one long incident does not receive less pay than someone called out on several occasions but for shorter periods that together add up to less time.

Some employees receive no specific payment for call-outs and receive a blanket allowance instead, which covers all standby and call-out commitments. This is probably more common in manager grades where a premium is incorporated into their salaries to reflect this liability.

## ■ Travel time and cost

The time taken to travel to call-outs should be included in the definition of a call-out period, so that employees start earning overtime from when they receive the call and begin their journey. Amicus representatives should be negotiating for employees to be reimbursed for travel costs of responding to call outs through standard expenses procedures.

## ■ Rest periods

The Working Time Regulations 1998 include limits on maximum hours worked and specify certain minimum rest periods. (For more information please see the Amicus guide to the Working Hours.) For obvious safety reasons, stringent guidelines exist relating to rail companies. At Railtrack a minimum rest period of eight hours is allowed for any employee called out for several hours during the night close to the start of their shift. At other companies, shift start or finish time may be adjusted to accommodate the rest period to which employees are entitled as a result of call out the night before.

Rest periods can also be dealt with on an individual basis between managers and employees.



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