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A Look At Predictive Scheduling and  
**How it's Changing Business**

With more cities and states passing predictive scheduling laws, businesses are experiencing an uptick in productivity and sales<sup>1</sup> as employees reap the benefits of having advanced notice of their hours.

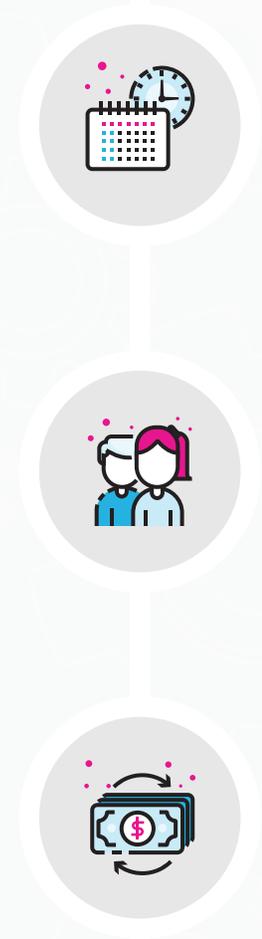
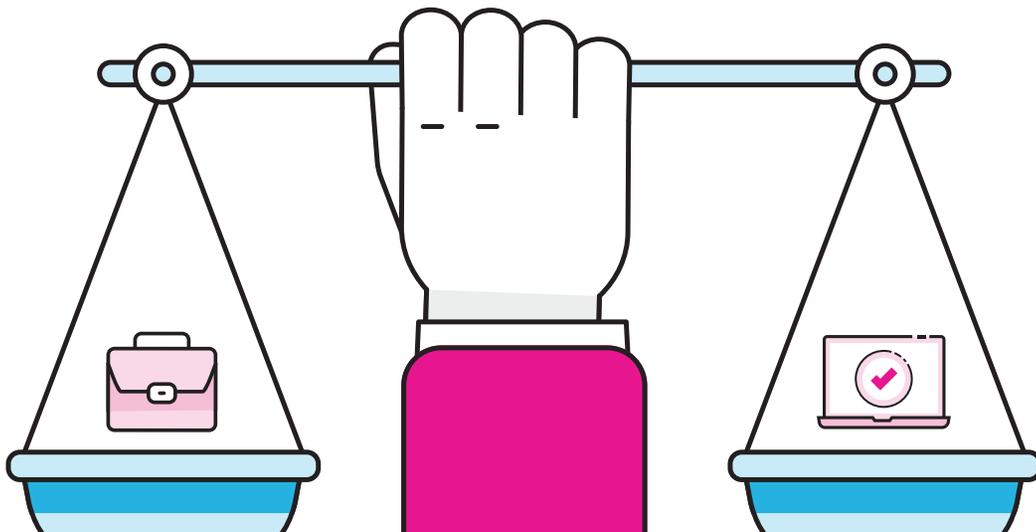
Let's take a look at how predictive scheduling works and what it means for the future.



## WHAT DO THE PREDICTIVE SCHEDULING LAWS SAY?

Predictive scheduling laws typically require business to provide their staff with fixed work schedules a certain number of days in advance. For example, an employer may need to provide set hours 14 days in advance. Or, they may be required to confirm on-call shifts no less than 72 hours in advance. The specifics vary by state and city. <sup>2</sup>

If prearranged schedules change, workers who made themselves available will be compensated accordingly. In many cases, these laws also discourage “clopening” routines in which one staff member closes at night and opens early the next day.



Predictive scheduling laws have significant advantages for seasonal workers and employees in fast food, hospitality, retail and other service industries who have historically juggled unpredictable shifts and fluctuating income levels. However, employers have a lot of legwork to do to adapt.

## THERE'S NO ONE-SIZE-FITS-ALL SOLUTION

Different cities and states are defining their own laws and guidelines around predictive scheduling. Businesses must take a close look at whether and how they are impacted by the rulings in their region.

Those operating across jurisdictions will have to remain vigilant about **new rulings and changes**. They may need to develop different scheduling systems for each location.

But, after testing this new labor planning model in the required locations and measuring its success, a company might choose to implement the same process throughout all locations, even those not currently impacted by predictive scheduling laws.



## COMPLIANT COMPANIES CAN IMPROVE THE EMPLOYEE EXPERIENCE

Under predictive scheduling, workers will be able to more confidently plan their budgets and schedules. They can organize childcare and transportation around their shifts with much less frustration.

During their more clearly delineated off hours, employees can also take on additional work, schedule appointments and make social arrangements. With the ability to plan ahead, staff members may be less likely to cancel at the last minute.

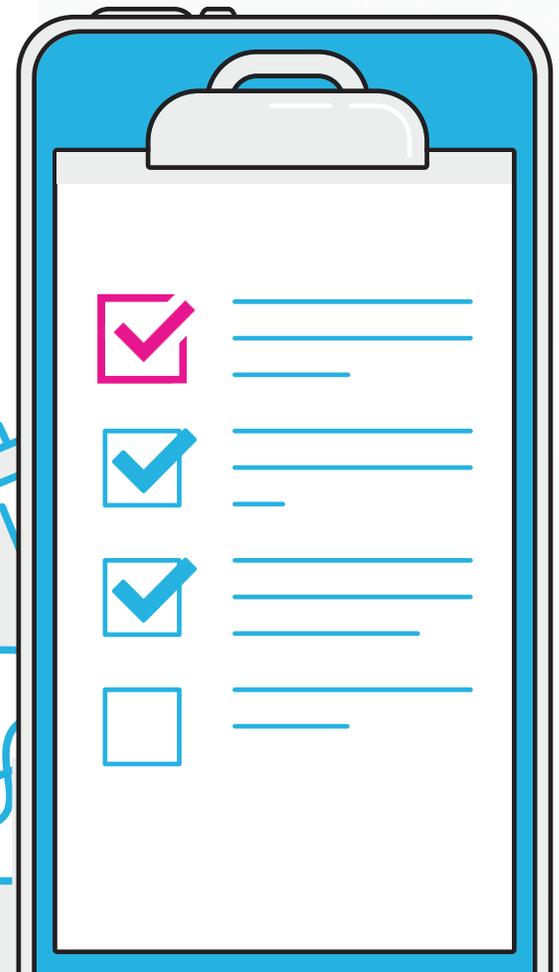
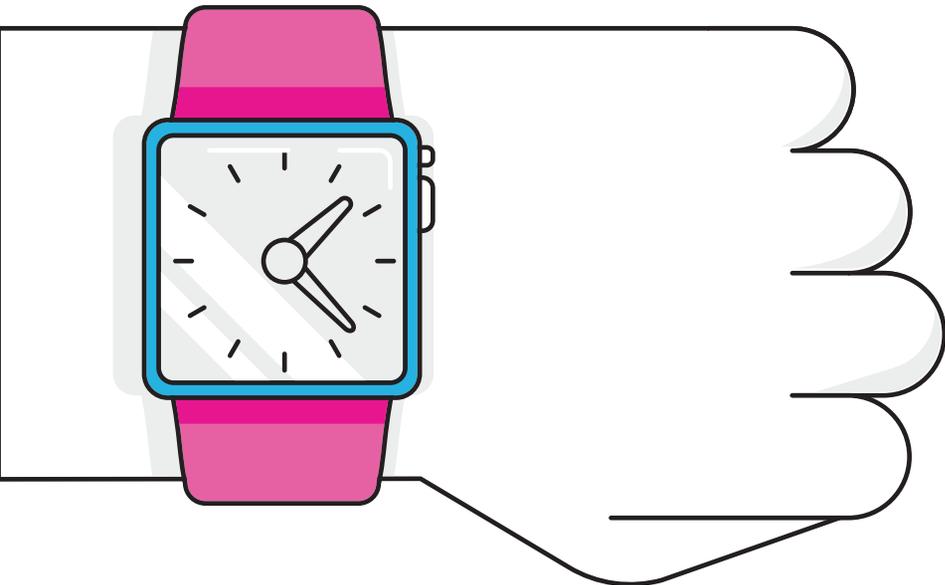
Businesses that wholeheartedly embrace the new culture of predictive scheduling may significantly reduce friction between workers and managers. A new approach may also contribute to **improved employee retention** rates and **job satisfaction** levels.



## EMPLOYERS SHOULD BUDGET FOR SCHEDULE CHANGE PREMIUMS

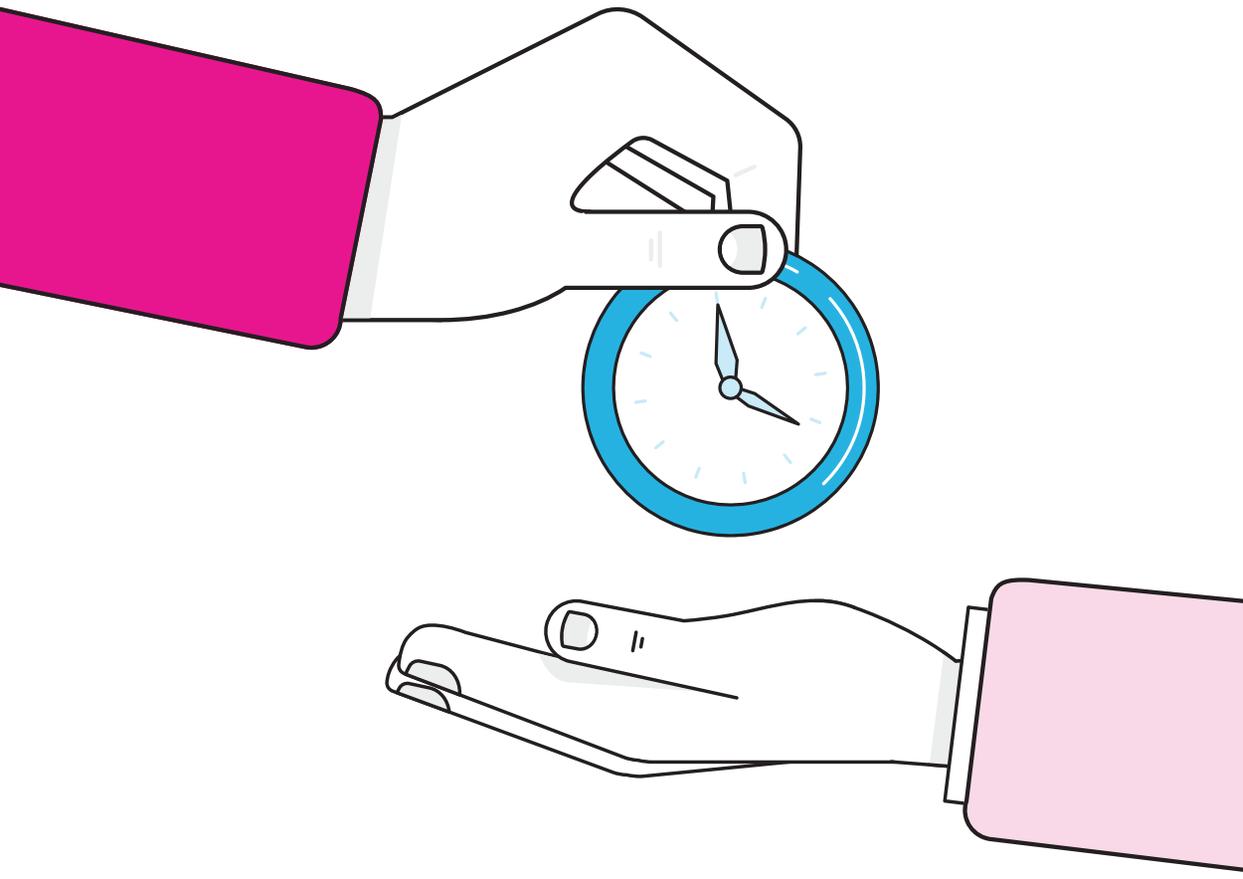
Under many predictive scheduling laws, any last-minute adjustments will require an employer to compensate employees with “**predictive pay.**” These schedule change premiums serve as penalties for employers and protections for employees.

Predictive pay rates are sometimes fixed or calculated in relation to the worker’s hourly wage. Employers who fail to adhere to predetermined schedules must factor in the cost of this disorganized and unpredictable approach.



## BUSINESSES WILL NEED TO MORE ACCURATELY PROJECT LABOR NEEDS

Requiring employees to call in ahead of a shift for which they may not be needed is becoming a costly habit. Under predictive scheduling laws, companies should no longer fall back on the old habit of overscheduling and then dismissing workers who make themselves available.



A landmark California decision<sup>3</sup> found that calling in counts as reporting for work. In some areas, businesses are now required to issue a few hours' pay at the regular rate for asking workers to inquire about an upcoming shift.

## HIRING MANAGERS MUST BE UPFRONT ABOUT SCHEDULING EXPECTATIONS

The reach of predictive scheduling laws extends to the onboarding process as well. Certain employers will be expected to provide candidates and new hires with clearly defined scheduling estimations.

Once again, a more organized approach to scheduling and labor requirements will help businesses stay ahead and more accurately assess coverage needs.

Employers who are or may soon be impacted by predictive scheduling laws should proactively adopt robust **time and attendance solutions** and payroll tools that can help them avoid non-compliance pitfalls and other costly mistakes.



## SOURCES

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3. <https://www.fisherphillips.com/resources-alerts-california-court-ushers-in-sweeping-changes-for>



2 Tioga Way, Marblehead, MA 01945  
[www.commpayhr.com](http://www.commpayhr.com) | [sales@commpayhr.com](mailto:sales@commpayhr.com) | (978) 599-1500

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