Overtime and Compensatory Time

Purpose

To describe the process and requirements for eligible employees earning overtime and state compensatory time.

Policy

The University will comply with the Federal Fair Labor Standards Act (FLSA) and applicable State laws governing minimum wages and overtime pay. All employees are classified as “exempt” or “non-exempt” under applicable legal tests. “Exempt” employees are not subject to minimum wages and overtime pay provisions of the FLSA. “Nonexempt” employees are subject to the wage and hour provisions. Under the FLSA, most non-exempt employees must be paid: 1) at least the federal minimum wage and 2) time and one half (11/2) the employee’s regular rate of pay for all hours worked in excess of 40 in a workweek.

Procedures

OVERTIME:

A classified, non-exempt employee is eligible to receive authorized overtime by meeting the following requirements.

Submitting a time sheet that reflects actual hours worked by the classified, non-exempt employees. The Department and Payroll Office is responsible for ensuring that Classified non-exempt employees are paid time and one-half (1½) of their regular hourly rate for overtime when proper documentation and authorization is submitted.

Authorized overtime worked by Classified non-exempt employees will be compensated at the discretion of Director/Manager by using one of the following methods:

a. Pay for the overtime worked at the rate of time and one-half (11/2) their regular hourly rate for each hour worked in excess of forty (40) in a workweek.

b. Grant time off (Compensatory Time) at the rate of time and one-half (11/2) for each hour worked in excess of forty (40) in a workweek. If Compensatory time is not taken within a sixty (60) day period, the department must pay the employee in accordance with section (a) above.

Employees designated as Classified Exempt are exempt from the overtime provisions of the FLSA. However, a Classified exempt employee may be allowed compensatory time off for authorized hours worked in excess of forty (40) in a workweek. If compensatory time off is allowed, it must be during the 12-month period following the end of the workweek in which the overtime was accrued, at a rate not to exceed equivalent time. For Classified exempt personnel, the authority to approve compensatory time off is delegated to the respective VP. As a general rule, Classified exempt employees’ hours are only recorded when keeping track of sick leave or vacation.

Administrative and Professional (A&P) employees are not eligible to earn overtime. This classification is considered exempt under FLSA.

In all cases, departments must maintain adequate records of all hours worked (including overtime/compensatory time worked by non-exempt employees). Both employees and their Director/Manager are accountable for the accuracy and completeness of time records.

It is the University's intent to limit overtime work to activities that cannot otherwise be performed during the regular workweek schedule. However, in order to meet customer and business needs, it may be necessary to require overtime work for both exempt and non-exempt employees. When overtime is required, Directors/Managers will provide as much notice as possible to the employee's required to work.
COMPENSATORY TIME:

Eligible classified employees can receive compensatory time if they meet certain requirements. In some cases, A&P employee can also earn compensatory time if certain requirements are met.

Holiday Compensatory Time:

All full-time employees regardless of FLSA status who must work on a University observed National or State Holiday will be allowed compensatory time off during the twelve-month period following the date of the holiday worked. Compensatory time will be granted based on one (1) hour of compensatory time for each hour worked on a Federal or State Holiday. Holiday compensatory time not used within the allotted twelve-month period will be lost.

State Compensatory Time:

**Classified Non-exempt Employees:**

Employees are allowed compensatory time off if the total number of hours worked and paid leave or paid holidays exceeds 40 in a week. State compensatory time is "straight" time or one hour for one hour. State compensatory time off must be used within 12 months of the end of the work week in which it was earned. Employees will not be paid for any unused state compensatory time earned in this manner.

**Classified Exempt Employees:**

An employee who is exempt from FLSA may, at the discretion of the University, be allowed compensatory time off for any hours recorded in excess of 40 during one work week. Work hours may be a combination of paid leave, holidays, and actual hours worked. State comp time off must be used within 12 months of the end of the work week in which it was earned.

**Administrative and Professional employees:**

Administrative and Professional employees are not eligible for compensatory time except for time worked on Federal or State Holidays observed by the University.

The authorization to pay overtime or to earn compensatory time must be obtained in advance from the Director/Manager. Employee’s who work unauthorized overtime may be subject to progressive counseling up to and including termination of employment.

For more information on overtime and compensatory time, please contact Human Resource Services (HRS).

**Applicability**

Classified Staff and Student Employees as required. Administrative & Professional employees are eligible for holiday compensatory time if they meet certain conditions.

**Definitions**

- **Overtime** - hours worked in excess of 40 each week (Monday-Sunday)
- **Compensatory time** - time off granted in lieu of pay for overtime.
- **Exempt Employee** - exempt from the overtime provisions of the Fair Labor Standards Act
- **Non-Exempt Employees** - required to be compensated (pay or comp time) for overtime in accordance with the Fair Labor Standards Act