Overtime and Compensatory Time

**Functional Area:**  *Human Resources*

**Applies To:**  *All Staff*  
**Date Issued:**  *December 2016*

**Policy Reference(s):**  
Department of Labor Wage and Hour Division  
https://www.dol.gov/whd/overtime/fs17a_overview.htm  
Human Resources Administrative Practice Manual:  
Classification, Compensation, and Payroll  
http://www.usg.edu/hr/manual/workweek_and_overtime

**Responsible Person**

The Director of Human Resources is responsible for maintenance of this policy, and for responding to questions posed regarding this policy.

**Purpose / Rationale**

To establish a policy for overtime and compensatory time for classified, non-exempt employees. The federal Fair Labor Standards Act, as amended, establishes minimum wage rates, maximum work hours, overtime pay requirements, equal pay standards and child labor restrictions for employees who are subject to its provisions. This document establishes University policy in areas not covered by the FLSA or in which the FLSA allows for alternative methods of compliance. The policy is not intended to conflict with or supersede any part of the FLSA. Since the FLSA takes precedence over this policy, any conflicts between the two will be resolved by complying with the federal requirements.

This policy ensures consistency with University System of Georgia policy, ensures compliance with the Fair Labor Standards Act, and affords appropriate flexibility as needed at the institutional level.
Definitions

These definitions apply to these terms as they are used in this policy:

**Fair Labor Standards Act of 1938 (or “FLSA”):** a federal law which requires that most employees in the United States be paid at least the federal minimum wage for all hours worked and overtime pay at time and one-half the regular rate of pay, or provided compensatory time-off in the case of government employees, for all hours worked over 40 hours in a workweek.

**Overtime:** Time worked by a non-exempt employee above the normal forty (40) hour workweek.

**Compensatory Time:** Paid time off given to classified non-exempt employees at one and one half hours for each hour worked over 40 hours rather than receiving payment for overtime.

**Workweek:** A seven (7) day period in which the required working hours for full-time employees equal forty (40) hours, with distribution of such hours during the workweek a matter of scheduling left to the individual institutions. For the purpose of calculating the number of hours in a single workweek, the workweek shall begin at 12:00 a.m. on Saturday and ends at 11:59 pm on Friday.

**Workday:** The regular working day for most non-exempt employees begins at 8:15 a.m. and ends at 5 p.m. Monday through Friday.

**Non-exempt employees** - Employees who are covered by or subject to the minimum wage, overtime and recordkeeping provisions of the federal Fair Labor Standards Act (FLSA).

**Exempt employees** – Employees who are not subject to the FLSA minimum wage, and overtime requirements of the law. Exemptions from the law are narrowly defined and the employer must prove that the exemption rules apply. Reference DOL Fact Sheet 17. [https://www.dol.gov/whd/overtime/fs17a_overview.htm](https://www.dol.gov/whd/overtime/fs17a_overview.htm)

Policy

In accordance with University System of Georgia policy, Armstrong State University shall establish a standard forty (40) hour workweek and abide by the Fair Labor Standards Act provisions.

Employees eligible for overtime or compensatory pay must maintain a record of the total hours they work each day. Reported time must accurately reflect all regular and overtime hours worked; any absences, early or late arrivals; early or late departures; and meal breaks; and must regularly be submitted for verification and approval. Payment for overtime work will be made in accordance with the Fair Labor Standards Act.

Employees are prohibited from performing any “off-the-clock” work, which means work performed, but unreported, in time management. Employees should review their paycheck and verify correct pay for all regular and overtime hours worked each workweek.

It is a violation of USG and Armstrong State University policy to falsify time records, for any employee or manager to instruct another employee to incorrectly or falsely report hours worked, or alter another employee’s time card to under- or over-report hours worked. Any violations of this policy should be reported immediately to the Human Resources Department.
Employees are prohibited from working overtime or working any hours outside of the scheduled workday unless a supervisor has authorized the unscheduled work in advance. Employees are also prohibited from performing any “off-the-clock” work. “Off-the-clock” work means work performed but not reported in time management. Any employee who fails to report or inaccurately reports any hours worked will be subject to disciplinary action, up to and including discharge.

Supervisors are responsible for organizing the work of non-exempt employees so that overtime / compensatory time are managed within unit’s current budget, and/or maximum allowable hours. An agreement or understanding between each employee and the immediate supervisor as to the method to be used in compensating overtime must be arrived at prior to the employee actually performing the work.

The University retains the right to schedule its employees; however, the University will make a good faith effort, whenever practical, to provide employees with consecutive hours in the workday and consecutive days in the workweek.

Related Procedures

Overtime Pay
The Fair Labor Standards Act requires classified non-exempt employees to report time worked and leave taken on a weekly basis. Non-exempt employees are entitled to overtime pay at one and one-half (1 1/2) times their hourly rate for all hours actually worked in excess of forty (40) hours in a single workweek. Paid leave taken during the week is not considered hours worked in calculating overtime or compensatory time.

Each institution has a responsibility to minimize overtime work to the extent possible. Overtime work shall be authorized for non-exempt employees only when the work is deemed necessary and is approved by the immediate supervisor authorized to make such decisions.

The immediate supervisor is responsible for the authorization and administration of overtime. An employee may not work overtime hours without the authorization of their immediate supervisor. Working unapproved overtime hours may result in disciplinary action up to and including discharge.

Compensatory Time in Lieu of Overtime Pay
The Fair Labor Standards Act provides an element of flexibility for state and local government employers regarding compensation for statutory overtime hours. The law authorizes a public agency to provide compensatory time (comp time) off in lieu of monetary compensation, at a rate of not less than one and one-half (1.5) hours of compensatory time for each hour of overtime worked in excess of 40 hours in a workweek. Paid leave taken during the week is not considered hours worked in calculating overtime or compensatory time.

Compensatory time off is calculated at the rate of one and one-half times the hours worked in excess of 40 hours during a workweek. Compensatory time off may accrue to a maximum of 60 hours annually. When compensatory time is required of the employee, the department head may
approve up to 40 compensatory hours annually. Additional hours up to a maximum of 60 compensatory hours must be approved by the Divisional Vice President.

Employees who have reached the compensatory time 60-hour maximum must receive a cash payment for any additional overtime. Additionally, all compensatory time balances on record as of the last full pay period of the fiscal year (June 30th) must be paid out as well. Such payment shall be at the employee’s regular earnings rate at the time the payment is made.

Each institution has a responsibility to minimize compensatory time work to the extent possible. Compensatory time work shall be authorized for non-exempt employees only when the work is deemed necessary and is approved by the immediate supervisor authorized to make such decisions. Payment for overtime work will be made in accordance with the Fair Labor Standards Act.

The immediate supervisor is responsible for the authorization and administration of compensatory time off in lieu of overtime. An employee may not work compensatory hours without the authorization of their immediate supervisor. Working unapproved compensatory time hours may result in disciplinary action up to and including termination of employment.

In addition to maximum accrual and fiscal year end, classified non-exempt employees must also use accrued compensatory time by the end of the succeeding quarter of its actual accrual, and should be used at a time mutually convenient to the employee and the supervisor, but cannot be used within the same week that it is earned. If the accrued compensatory time is not used by the end of the succeeding quarter of its actual accrual, it will be charged to the person’s specific department and paid out to the employee.

Generally, the FLSA overtime provisions for governmental employees and this Policy maintain that:

- Compensatory time may be awarded in lieu of overtime payment; Institutions are to determine when compensatory or overtime pay is authorized.
- If compensatory time is provided, one and one-half hours off must be granted for each overtime hour worked. If payment is provided, the overtime pay must be computed at one and one half times the regular hourly rate;
- Time off for holidays, paid leave and compensatory time are not counted as hours worked in calculating overtime payments;
- Off duty time for meals is not counted as hours worked for purposes of calculating overtime or compensatory time payments.
- Overtime earnings, including compensatory time, must be calculated for each workweek. Hours cannot be averaged over two or more workweeks.
- Employees must be notified prior to performing overtime work that compensatory time will be provided in lieu of overtime payment; this notice requirement can be satisfied by providing employees copies of the institution’s personnel policies, by conducting orientation prior to performing work, and/or notification at time of hire.
- Employees terminating from the institution or transferring to a new department will receive a compensatory time payoff from the department in which they earned the compensatory time. The payoff will be at the employee's current rate of pay.

- Employees are required to use accrued compensatory time prior to using other leave (including annual and/or sick).


- When an employee is changed from a non-exempt to an exempt position, all accrued compensatory time will be utilized or paid before the change takes place.

- All compensatory time balances on record as of the last full pay period of the fiscal year must be paid out. Such payment shall be at the employee’s regular earnings rate at the time the payment is made.

- Actual hours worked must be recorded manually through ASU’s electronic time keeping system. The system will calculate overtime or compensatory pay worked over 40 hours at the end of the pay period.