

# THE UNIVERSITY OF ALABAMA IN HUNTSVILLE

## OVERTIME AND COMPENSATORY TIME

### INTERIM

<b>Number</b>	06.02.12
<b>Division</b>	Finance and Administration – Human Resources
<b>Date</b>	November 23, 2016
<b>Purpose</b>	To provide guidance to supervisors and staff regarding the process of providing and management of overtime and compensatory time.
<b>Policy</b>	Overtime and compensatory time are governed by the Fair Labor Standards Act (FLSA) and its implementing regulations. Neither employees nor the University may waive their rights or obligations under the Fair Labor Standards Act or agree to accept less or pay less than the required overtime rate or compensatory time earned.

Under University policy, exempt employees may not take "compensatory time" off for hours worked beyond 40 hours in a workweek. An exempt position is one that is exempt from the overtime provisions of the Fair Labor Standards Act (FLSA). The category of exempt employees, as defined by the FLSA, generally includes executive, professional, and some administrative employees. An employee in an exempt position is compensated on a fixed salary basis and is not entitled to additional "overtime" pay or "compensatory" time earned for work performed beyond 40 hours in a workweek.

A non-exempt position (including professionals who are eligible for overtime) is one that, under the FLSA, is entitled to overtime pay for time worked beyond 40 hours in a workweek.

<b>Procedures</b>	Professional employees who are eligible for overtime and non-exempt employees who work more than 40 hours during one workweek may be paid at the overtime rate of one and one-half times their regular rate of pay. The supervisor also has the discretion to award compensatory time off in lieu of overtime pay. The agreement to work overtime as required and the acceptance of compensatory time in lieu of overtime payment are conditions of employment.
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Compensatory time is earned at the rate of one and one-half times all hours worked over 40 in a workweek. Accrued compensatory time may not exceed 240 hours (i.e. 160 hours of overtime worked). If an employee reaches the maximum accrual of 240 hours, any additional overtime hours worked must be paid at the overtime rate of one and one-half times the employee's regular rate of pay. Holiday, sick leave, or vacation time properly taken by an employee is counted as hours worked within a workweek in computing overtime pay for that workweek. Compensatory time is not used in the calculation of overtime. An

employee will not receive overtime pay or earn compensatory time for working more than eight hours in one day or on Saturday, Sunday, or a holiday if for that week the 40 hour limit is not exceeded. Compensatory time off should be taken within a reasonable period of time and must be preapproved by the supervisor. Upon termination or retirement, an employee will be paid for any unused accrued compensatory time at the employee's regular rate of pay.

It is the responsibility of the supervisor/manager to monitor overtime and compensatory time, and to ensure that employees are accurately reporting any hours worked in excess of 40 hours in a workweek. All overtime pay and compensatory time earned must be preapproved by a supervisor. Every effort should be made to avoid the accrual of large amounts of compensatory time. The supervisor or manager has the discretion to modify the employee's schedule during a workweek based on the operational needs of the department. An employee who violates the University's policy on overtime and compensatory time may be subject to disciplinary action.

**Review** Human Resources will review the policy every five years or sooner as needed.