

Overtime Pay Changes – Frequently Asked Questions

HUMAN RESOURCES

What is overtime?

Overtime is all hours worked by an employee for the University in excess of 40 hours in a workweek (or in excess of the Fair Labor Standards Act (FLSA) approved standard for police officers and firefighters). Hours worked in a workweek will include only hours actually worked with the ***exception of University recognized holidays***, which will be counted to determine eligibility for overtime pay.

What is changing?

The essential change is that the University will primarily only count time worked in determining an employee's eligibility for overtime pay. Non-exempt, overtime-eligible staff members will be paid at a rate of one and one-half times the employee's regular rate of pay for all time worked over 40 hours in a workweek. Effective Jan. 12, 2015, time during which no work is performed (i.e., vacation, jury duty, sick leave, bereavement leave, etc.), with the ***exception of University recognized holidays***, will not be counted to determine eligibility for overtime pay.

When an employee uses paid time off charged to any of the paid leave categories (i.e., vacation, jury duty, sick leave, bereavement leave, etc.), there may be hours worked outside of the employee's regular schedule that do not qualify to be paid as overtime. These hours worked will be compensated at a straight-time rate.

Who is affected by this change?

Non-exempt, overtime-eligible staff members are within the scope of this change.

Do sick or vacation hours accumulate toward the 40 hours required for overtime?

No. The categories above are examples of leave time, which is not counted toward the 40 hours required for overtime pay. For example, if an employee uses 8 hours vacation leave on Monday and works 40 hours Tuesday – Saturday, all time will be at the regular rate of pay.

Is overtime pay a requirement by law or our policy?

Overtime pay to non-exempt staff is required both by law and University policy when more than 40 hours per workweek are actually worked.

Since non-exempt employees are paid on a biweekly basis, is it acceptable for them to “trade” hours worked in one week to the second week?

No. It is important to remember that time sheets should be an accurate representation of the actual hours worked by the employee each day. If a full-time, regular employee with a 40-hour-per-week schedule works 42 hours in one week and 38 hours in the second week, he/she cannot apply the two hours from the first week to the second week to reflect 40 hours worked in each week. The employee would be paid two hours of overtime in the first week (assuming he/she did not take two or more hours of paid leave during that week, in which case he/she would receive “regular” pay for those two hours), and he/she would need to take two hours of paid leave time to have the second week total 40 hours.

This is a follow-up question to the previous question. Why would the employee only receive “regular” pay for the two hours worked in the first week if they had taken two or more hours of paid leave time during that week?

The employee would only receive regular pay for those two hours because paid leave time is not considered “actual work hours.” Only hours actually worked (or University recognized holidays) are counted when determining whether the overtime pay rate will be applied. However, although the overtime rate is not applied to those two hours, they must be paid at the employee’s regular hourly rate.

Does working a condensed work week (i.e. four 10-hour days) or some other variation of the “standard” work schedule change the overtime requirements?

No. The same rules apply.

Do exempt employees (managers, administrators, etc.) receive overtime?

No, these employees are exempt from overtime, as stipulated by the FLSA. Exempt employees are paid for the job they do and are expected to work, as necessary, until the job is finished, even beyond the regular workweek, in the evenings and on weekends. They do not receive pay for extra hours worked, either in straight pay or at of one and one-half times their hourly pay.