



## NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE UNIVERSITY

SEC. III—Compensatory Time 1.0

### **POLICY ON OVERTIME AND COMPENSATORY TIME FOR SPA NON-EXEMPT EMPLOYEES**

#### ADMINISTRATIVE POLICY

#### **I. Introduction**

Eligible employees who work more than 40 hours in a work week may be compensated in one of two ways: overtime pay or compensatory time off. It is management's decision whether to provide overtime pay or compensatory time off based upon fiscal availability and operational needs of the work unit.

#### **II. Eligibility**

All SPA permanent and temporary employees who are subject to the wage-hour provisions of the Fair Labor Standards Act (FLSA non-exempt) are entitled to overtime compensation.

**SPA Permanent Employees:** The wage-hour status is based upon the FLSA exemption status of the employee's position as determined by the Division of Human Resources. All permanent "SPA non-exempt" employees are eligible to receive either overtime pay or compensatory time off. All permanent "SPA exempt" employees are not eligible for overtime pay or compensatory time off under this policy. (See "Compensatory Time for SPA Exempt Employees" policy.)

**SPA Temporary Employees:** All SPA temporary employees, including student employees, are FLSA non-exempt and are eligible to receive only overtime pay; they cannot receive compensatory time off.

**EPA Employees:** EPA employees, both permanent and temporary, are not eligible for overtime pay or compensatory time off.

### **III. Coverage**

Eligible employees earn time-and-one half for all hours worked in excess of 40 hours in a work week. An employee must actually work over 40 hours to earn overtime compensation. Paid time that is not considered time worked (e.g., most leave or other types of paid time off) does not count as time worked for the purpose of determining employee eligibility for overtime compensation. Working more than eight hours in a work day does not necessarily constitute overtime. Overtime occurs only after working more than 40 hours in a work week.

Management should give as much advance notice as possible of the need to work overtime so that employees can make any arrangements necessary to enable them to perform the overtime work. However, it is within Management's discretion to require overtime with little or no notice in emergency situations. Management must ensure that funds are available before authorizing overtime work.

**Note:** Some work units may require occasional or regular mandatory overtime as a condition of employment. Such a requirement must be explained to job candidates during the interview and selection process.

### **IV. Avoiding Overtime Liability**

If an employee works more than his/her regular schedule on one day in a work week, management may allow or direct the employee to take off an equal amount of time during the same work week without charge to leave so that the total work time does not exceed 40 hours for the work week. The University does not have a policy that allows equal time off (hour for hour) in another work week.

### **V. Paid Overtime**

When management selects the paid overtime option, an eligible employee who works more than 40 hours in a work week is paid overtime at the rate of "time-and-one-half" for all hours worked over 40. The overtime pay is determined using the employee's regular rate of pay.

The additional pay is to be included in the paycheck for the pay period in which the overtime was worked. Lack of funds does not relieve a department from its liability to compensate overtime work at the rate of time-and-one-half.

### **VI. Compensatory Time Off**

If overtime pay is not possible due to budgetary constraints or for other reasons, compensatory time off is a second option for compensating employees for overtime. Management considers existing workloads, staffing requirements, and availability of funds in deciding which compensation option will be used.

All permanent SPA non-exempt employees are eligible to receive either overtime pay or compensatory time off (CTO). All temporary SPA employees are eligible to receive only overtime pay; they cannot receive compensatory time off. CTO is paid time off equal to one-and-one-half times the amount of time worked in excess of 40 hours in a work week.

**For example:** An employee who works 44 hours in a work week would receive the 40 hours of pay and 6 hours of compensatory time off (4 hours x 1.5).

When the CTO option is selected by management, the time off must be scheduled by the supervisor and may be used for any purpose (even in lieu of Sick Leave). Every effort should be made to accommodate the preference of the employee when scheduling compensatory time off.

The maximum amount of CTO an employee may carry at any time is 240 hours (160 hours of work x 1.5), pro-rated for part-time employees. Any overtime in excess of the 240 hour maximum cannot be considered CTO; instead, the overtime must be paid in the employee's next paycheck.

## **VII. Payouts & Transfers**

CTO must be taken within 12 months of the date on which it was accrued. If management is not able to schedule the CTO within this time period, the liability must be paid to the employee no later than in the next pay cycle following the end of the 12 months.

**Note:** If an SPA non-exempt employee is scheduled for a period of leave (voluntary shared leave, Family & Medical Leave, leave without pay, etc.), and will not be able to use (or chooses not to use, if eligible) earned CTO or other accrued paid time off due to expire during the absence, then all such paid time off must be paid out as its expiration date occurs (note that the employee cannot use other available leave if s/he has any available CTO).

When an employee leaves the University or transfers to another University department, the department the employee is leaving must pay the employee for all accumulated and unused CTO.

Employees whose FLSA status changes from Non-Exempt to Exempt must be paid for all accumulated and unused CTO at the time of the status change.

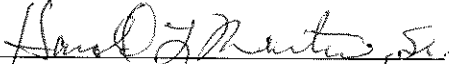
## **VII. Recordkeeping**

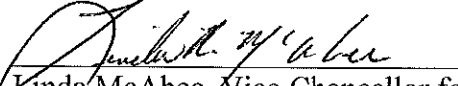
Compensatory Time Off balances are maintained in Banner and may be accessed via Banner Self-Service. Please refer to the appropriate user guides available on the DHR website concerning completing and submitting time worked in Banner Self-Service.

**VIII. Questions**

If you have questions about this policy, please contact Leave Administration in the Division of Human Resources 334-7226.

Approved by the Chancellor

  
Harold L. Martin, Sr., Chancellor

  
Linda McAbee, Vice Chancellor for Human Resources

                      
Date Original or Revision is Effective: Upon approval

First approved: March 22, 2011

Revised: