



## **POLICY STATEMENT 61 OVERTIME POLICY**

POLICY DIGEST

Monitoring Unit:  
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### **I. PURPOSE**

To establish a policy on overtime for LSU employees within the requirements of the Fair Labor Standards Act (FLSA), Civil Service rules, and other pertinent laws and regulations.

### **II. DEFINITIONS**

**FAIR LABOR STANDARDS ACT (FLSA).** The FLSA is the federal law dealing with overtime. The law is administered by the Wage and Hour Division of the Department of Labor. The law protects employees by providing basic guarantees for overtime and minimum wage. The University is required to comply with this federal law.

**OVERTIME.** A standard workweek for LSU is 40 hours and runs from Saturday 12:01 a.m.- Friday midnight. Overtime begins once an employee exceeds 40 hours worked during that workweek. However, only hours actually worked count toward the base 40 hour workweek for overtime computation. This means that for holidays or leave taken in the workweek, the employee will not be eligible for the premium rate (1.5) until they have actually worked 40 hours. Overtime compensation may be paid or compensatory time may be awarded for hours worked over 40 hours in a work week.

Classified employees exempt from the FLSA earn overtime (paid or compensatory time) on an hour for hour basis (paid: regular hourly rate times the number of overtime hours; or compensatory time: number of overtime hours). Non-exempt employees covered by FLSA earn overtime (paid or compensatory time) at a time and one half rate (paid: regular hourly rate X 1.5 X the number of overtime hours; or compensatory time: 1.5 X the number of overtime hours).

**COMPENSATORY TIME OFF.** Often referred to as 'K-time'. Compensatory time is earned as a result of working overtime and serves in place of actual payment for performing the overtime work. It is to be requested, recorded, and used in a similar manner as annual leave.

**EXEMPT.** The term 'exempt' is used to categorize employees performing certain types of work for which the federal law requiring overtime does not apply. Employers are not required to provide any compensation to exempt employees for overtime, but have the option to do so. An exempt job must fit in one of three FLSA categories: executive, administrative, or professional. The Compensation Section of Human Resource Management (HRM) makes the determination concerning the exempt status of jobs according to FLSA guidelines.

**NON-EXEMPT.** 'Non-exempt' is used in the FLSA for employees performing work which cannot be

categorized as executive, administrative or professional. Employees in jobs such as skilled technicians, custodians, office clerical workers, and food service workers are typically 'non-exempt' and therefore, are covered by the FLSA. Employers are required to compensate non-exempt employees for overtime at a rate of time and one-half.

### **III. GENERAL POLICY**

#### **A. Overtime**

Staffing should be planned so that most jobs require minimal overtime. Other alternatives should be considered when significant and recurring overtime is required such as additional temporary help, redistribution of the workload, or postponement of the work. Overtime pay should not be used as a means to provide supplemental pay to an employee. The Compensation Section of HRM is responsible for administering this policy.

Employees must not be permitted to perform overtime without proper authorization or remuneration. Civil Service rules provide LSU with the authority to require an employee to work overtime. Departments will try to give as much advance notice as possible when overtime is required. All qualified employees within the work area must be given an opportunity for overtime work and each department must administer the policy equitably and in accordance with PS-1. Department heads must comply with FLSA by prohibiting non-exempt employees from working unpaid overtime, even if the employee volunteers to work.

Overtime occurs when work is required beyond regular scheduled hours in the 40 hour workweek. Overtime will not be paid at the time and one-half rate until the hours actually worked exceed 40 hours during the normal workweek. Holidays and leave taken (paid or unpaid) will not count towards hours worked. Employees must be given appropriate time off during each workday (e.g. lunch time- 30 minutes) to ensure the workweek will not exceed 40 hours per week. The overtime rate will be time and one-half for non-exempt employees and at the regular rate hour for hour basis for exempt employees.

#### **B. Eligibility for Overtime**

Administrative and professional (exempt unclassified) employees are not entitled to earn overtime or compensatory time off. It is expected that employees in unclassified positions may be required to work in excess of a 40 hour workweek on a recurring basis.

It is the responsibility of the Compensation Section to determine the FLSA status (i.e. exempt or non-exempt) of all job classes. The status for each job is reflected in the LSU Pay Plans for classified employees provided to all departments and available from the Compensation Section or on HRM's Website under Compensation. Employees may inquire about their exemption status with the Compensation Section of HRM if there are any questions or concerns.

#### **C. Compensatory Time (K-time)**

LSU policy provides that departments may offer compensatory time to employees working beyond their 40 hour per week schedule in lieu of payment for overtime. Each department will have the option to select the compensation mode, either compensatory time off or payment for working greater than 40 hours per week. The compensatory time rate is earned at the same rate as for paid overtime: non-exempt (time and one-half) and exempt (regular rate) employees.

FLSA provisions and Civil Service rules limit each employee's total compensatory time to 240 hours. Lower limits may be established by a department. Departments must use paid overtime to compensate employees once the employee's compensatory time limit is exceeded. Compensatory time must be exhausted before annual leave is used by the employee. Compensatory time earned but not taken will be paid to the employee upon promotion to a professional/unclassified position or transfer to another campus or separation from LSU. Departments should encourage use of compensatory time when possible to reduce LSU's pay out liability. With the concurrence of HRM, departments may require an employee to take all or part of the compensatory time at any time. Departments may pay compensatory time balances in whole or in part for classified employees in the department at any time.

Compensatory time earned at other state agencies by employees transferring to LSU will not be credited.

#### D. Paid Overtime

Departments are encouraged to limit the amount of paid overtime earned by an employee to the extent possible. Typically, if an employee earns an amount of overtime more than \$5000 or 30% of base salary then the department should contact the Compensation Section about alternatives to overtime. Departments may be asked to provide written explanation if excessive overtime is taken or earned.

#### E. Holiday Pay and Overtime

All eligible classified staff receive payment for up to 14 holidays per fiscal year (see PS-31 on holidays and PS-12 on leave). Holiday pay is based on the number of hours in the employee's regular work schedule (e.g. 8 hours of holiday pay is received if the employee regularly works 8 hours per day).

Some classified staff are required to work on a holiday. Nonexempt employees who work on a holiday (or a designated holiday if the holiday falls on their day off) will be paid time and a half for hours worked on the holiday, regardless of the number of hours worked that week and, in addition to holiday pay. Exempt classified employees who work on a holiday (or designated holiday) will be paid their regular rate hour for hour for hours worked on the holiday, regardless of the number of hours worked that week and, in addition to holiday pay.

#### F. Overtime in Emergencies

The Chancellor may authorize pay or compensatory time up to the time and one-half rate in addition to regular pay for any non-exempt classified employee who works incident to a national or local emergency, act of God, or other situations of an extraordinary nature which threaten life and property and represent real danger and/or hardship to the employee. Exempt classified employees may be paid or given compensatory time at their regular rate on an hour for hour basis in addition to their regular pay for work during these emergency situations.

#### G. Department Responsibility

Departments which frequently require classified employees to work overtime (paid and/or compensatory time) must develop written procedures for administering overtime. The department must make the procedures known to their employees. The procedures should contain the method

of authorizing overtime, advance notification, and selection for overtime work and criteria for determining mode of payment (i. e., compensatory time or payment).

#### **IV. OVERTIME AUTHORIZATION**

##### **A. Budgeted Overtime**

Departments that have justifiable recurring overtime needs should have an overtime line item established in their budgets. Normal budgetary and payroll procedures apply.

##### **B. Unbudgeted Overtime**

Departments without department funds for paid overtime are strongly encouraged to offer compensatory time for overtime prior to offering payment for overtime. However, departments not having budgeted overtime may request paid overtime before the overtime hours are worked, by obtaining prior written approval from the HRM Compensation Section and the Budget & Planning Office. In emergency situations the Compensation Section may authorize the overtime. The written request must be forwarded through the Dean/ Director to the Compensation Section for approval before the employee can work the paid overtime. The memo or e-mail must contain the following:

1. justification for the overtime and the alternatives that were considered
2. name(s) of employee(s) affected
3. anticipated dates of the overtime
4. regular rate of pay of the employee(s)
5. overtime rate of pay
6. title of position of the employee(s)
7. budget account number to which the overtime will be charged
8. estimated total dollars to be expended as a result of this request.

In some cases, the Compensation Section must route the request to the Vice Chancellor(s) for approval (e.g. significant amount of overtime, lengthy duration of overtime, if funding is unavailable, or large number of employees involved).

##### **C. Records**

Each department shall designate an employee to be responsible for maintaining and processing accurate overtime records. The total number of hours worked must be accurately recorded on the employee's ETA payroll record for that day (hours cannot be shifted to another day). Overtime hours submitted to Payroll on ETA will be paid unless recorded as compensatory time earned.

Employees should submit requests to take compensatory time off following the same

department procedures which apply to annual leave. Compensatory time off will also be recorded on the ETA payroll system for each workweek. Adjustments to correct compensatory time balances (earned/ taken) must be made using the automated leave tracking system.

#### D. Special Cases

Check with the Compensation Section in these special cases in which extra work may be involved:

1. While performing civilian duty during an officially declared national, regional or local emergency
2. While "on call" away from post of duty
3. While attending or traveling to or from conventions, workshops, seminars, training courses, and related activities
4. While performing duty of emergency nature which threatens or affects the peace or property of the LSU employees, students, or general public as determined by the appointing authority
5. While employed on a restricted or contingent appointment or WAE basis working over forty (40) hours in a particular work week. Employees on restricted or contingent appointments and employees paid on an intermittent (When Actually Employed - WAE) basis are not eligible for compensatory time. Holidays, leave, and other time off are not counted as hours worked.
6. While appearing before Civil Service Commission pre-trial conference, etc.
7. While performing work for a different LSU department for additional compensation

Normally, overtime should not be paid in these situations, but it may be required for non-exempt employees.

Because the rules on overtime are complex, we encourage that questions be directed to the Compensation Section, HRM at (578-8200).

Related PS's: see PS-12 (Civil Leave/ Compensatory Time), PS-18 (Emergencies), PS-31 (Holidays), and PS-79 (Flextime).