31.01.09.R0.01 Overtime

Revised July 7, 2024 Next Scheduled Review: July 7, 2029



Procedure Statement

Under the Fair Labor Standards Act (FLSA), a federal statute, a nonexempt employee must be compensated with either time or pay for working more than 40 hours in a workweek. Under Texas law, a nonexempt employee who has a combination of hours worked, paid leave, compensatory time, and paid holidays totaling more than 40 hours in a workweek must receive either time or pay for the additional hours.

This procedure defines those employees who are entitled to overtime, the limitations, and the approval of overtime, as required by System Regulation 31.01.09 Overtime.

Procedures and Responsibilities

1 NONEXEMPT EMPLOYEES

- 1.1 Federal Overtime for Nonexempt Employees:
 - 1.1.1 When nonexempt, full-time employees are required to work hours in excess of the standard 40-hour workweek, they are entitled to compensation for such overtime. Overtime should be avoided, if possible, and worked only with the approval of the immediate supervisor.
 - 1.1.2 Employees will be compensated for overtime by granting the employee compensatory time off at the rate of one and one-half hours off for each hour of overtime worked. Supervisors must approve the time off in advance.
 - 1.1.3 When an employee's FLSA compensation time reaches 40 hours, Human Resources shall pay any hours over the limit on the following monthly payroll from that employee's departmental payroll account.
 - 1.1.4 Employees shall use FLSA compensation time before using vacation time. Compensatory time should be taken during the 12-month period following the end of the workweek in which the overtime was worked.

1.2 State Overtime for Nonexempt Employees:

- 1.2.1 Compensatory time must be taken during the 12-month period following the end of that workweek and may not be carried forward past the end of the 12-month period. When the member determines that allowing compensatory time off would be disruptive to normal teaching, research, and other critical functions, an employee may be paid for compensatory time on a straight-time basis.
- 1.2.2 An employee may not be paid for unused state compensatory time upon termination of employment or transfer to a state agency outside the system. Payment for such time may not be made to the estate of a deceased employee. A terminating or transferring employee may, however, remain on the payroll to expend this type of compensatory time. An employee may be paid at the employee's regular rate of pay for that compensatory time if the member determines that taking the compensatory time off would disrupt normal teaching, research or other critical functions.
- 1.2.3 Overtime not authorized must also be counted as work time. Federal regulations place responsibility with the supervisor for controlling the hours worked by an employee. However, nonexempt employees who work without authorization are subject to disciplinary action, up to and including termination.
- 1.2.4 Travel for nonexempt employees will comply with System Regulation 31.01.09.
- 1.3 University police officers are the only exception to the above rule. Officers earn overtime and are compensated by paying at a rate of one and one-half times the officer's regular rate of pay. Police officers work extra-duty on a regular basis and are unable to take compensatory time off without jeopardizing the safety of the university campus.

2 EXEMPT EMPLOYEES

On occasion, an exempt employee may need to work more than 40 hours a week to accomplish job requirements. When extraordinary circumstances necessitate work hours beyond those routinely required for the position, such employees may, at the discretion of the Vice President for that division, be granted compensatory time off in accordance with state law. The key provisions of state law are:

- 2.1 The number of hours of compensatory time awarded may not be more than the number of hours worked that exceeds 40 hours in a workweek. The number of hours worked includes actual hours worked plus holiday and paid leave hours.
- 2.2 Each Vice President must document the award and use of compensatory time.
- 2.3 All unused compensatory time expires 12 months after the end of the workweek in which the additional hours were worked.

- 2.4 A Vice President may award compensatory time for work performed at an employee's residence if the employee obtains the advance approval of the Vice President.
- 2.5 An employee, or the employee's estate, may not be paid for unused compensatory time.

3 LIMITATIONS

System Regulation 31.01.09 Overtime prohibits nonexempt employees from accruing more than 240 hours of compensatory time.

Related Statutes, Policies, or Requirements

System Regulation <u>31.01.09 Overtime</u>

Revision History

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