

Policy 705.8 – Non-Exempt Overtime & Compensatory Time

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Issuing Office: Administration & Finance

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Approved By:

References: MUS 708.1, 708.1.1; MOM 3-0210; 39-3-405, 406, M.C.A.; FLSA; 29 U.S.C. 201 et. seq.;
CFR Title 29, Chapter V

I. POLICY

Non-exempt employees of the University of Montana Western are individuals covered by the Federal Fair Labor Standards Act and are entitled to overtime pay or compensatory time in specified situations.

II. PURPOSE

The purpose of this policy is to ensure that overtime is paid and compensatory time is accrued in accordance with the Fair Labor Standards Act, Montana State Law, collective bargaining agreement provisions, and Montana State Policies adopted by the MUS Board of Regents.

III. PROCEDURE

A. Definitions

1. **Overtime:** Time worked by a non-exempt employee in excess of forty (40) hours per week. If an employee is on an alternate work schedule (e.g., “4-10’s”), overtime will be based on hours worked in excess of forty (40) hours per week.
2. **Workweek:** Seven (7) consecutive 24-hour periods beginning Sunday at 12:01 a.m. through the following Saturday at 12:00 midnight. A department may change this established workweek only with the approval of the Vice Chancellor for Administration & Finance/Student Affairs. Unless specifically defined otherwise in a collective bargaining agreement, this definition of workweek shall apply to employees covered by collective bargaining agreements.
3. **Work Hours:** Include all paid hours, including annual leave, sick leave, holiday leave, and compensatory time.

B. Overtime

1. Classified and temporary non-exempt employees who are subject to the provision of the Fair Labor Standards Act shall receive overtime compensation at the rate of one and one-half times the employee’s regular hourly rate or accrue compensatory time at the rate of one and one-half hours for all hours in a pay status over forty (40) hours in a workweek.
2. Upon mutual agreement between employee and supervisor, daily work schedules may be increased beyond eight (8) hours or reduced below eight (8) hours within the pay period to accommodate workload fluctuations without accrual of compensatory time or payment of overtime.
3. **Employees must receive permission from their immediate supervisor to work overtime or accrue compensatory time.** If compensatory time will be accrued for overtime hours worked in lieu of payment at the overtime rate, an understanding must be reached between the employee and the supervisor prior to the authorization to work overtime hours. Supervisors are responsible for insuring employees only work the amount of overtime approved. The decision on whether an employee will receive compensatory time or overtime pay will be mutually agreed between employee and supervisor.

4. Travel time is compensable in certain circumstances when it is necessary to conduct official business. Travel time includes only those hours necessarily incurred in transportation. It does not include hours spent for meals or lodging or social events, even if business-related. Other limitations on travel time are defined in the Fair Labor Standards Act.
5. Attendance at seminars or meetings that are primarily for the professional improvement of the employee may be included as part of the regular work day; however, compensatory time may not be claimed in connection with such events if part of the regular work day.
6. Full-time employees who are eligible for overtime and who accept additional work in another UMW department must be paid overtime for the additional work. The overtime rate is determined by the employee's hourly rate in his/her full-time position.

C. Compensatory Time

Federal regulations allow for a maximum accrual of non-exempt compensatory time of 160 hours worked/240 hours compensatory time. A lower maximum accrual, other than that provided in the federal regulations, may be established. Once the established allowable accrual has been met, the non-exempt employee shall receive overtime pay for all additional overtime worked.

When accrual of compensatory time is authorized by a UMW supervisor, the following provisions shall apply:

1. The maximum amount of compensatory time that may be accumulated is 60 hours (equivalent of 40 hours worked in a pay status in excess of forty (40) hours in a workweek). Once 60 compensatory hours have been accrued, the employee shall be paid overtime pay rather than accruing compensatory time.
2. An employee must have the supervisor's prior approval to use accumulated compensatory time. Compensatory time is to be taken at a time mutually agreeable to employee and supervisor.
3. If employment is terminated, except as provided in the applicable collective bargaining agreement, any unused compensatory time will be paid to the employee at the regular rate of pay at the time of termination.

When an employee requests to take compensatory hours off and where the interest of the state requires the employee's attendance, the state's interest overrides the employee's.

The employee must submit a written request to receive compensatory time pay off (if not terminating employment) to the department supervisor and if approved, must be submitted and approved by the Vice Chancellor for Administration & Finance/Student Affairs before being processed on payroll.

IV. AUTHORITY

MUS 708.1, 708.1.1; MOM 3-0210; 39-3-405, 406, M.C.A.; FLSA; 29 U.S.C. 201 et. seq.; CFR Title 29, Chapter V

V. RESPONSIBILITY

Vice Chancellor for Administration & Finance/Student Affairs, Supervisors, Associate Director of Human Resource Services