

CSU EXTENSION COMPENSATORY TIME OFF POLICY

Effective January 1, 2017

PURPOSE OF THIS POLICY

The purpose of this policy is to ensure consistent practices earning, using, and payment of compensatory time, and adherence to the Fair Labor Standards Act.

APPLICATION OF THIS POLICY

This policy applies to all non-exempt State Classified and Administrative Professional positions (both salaried and hourly). Employees in non-benefits eligible classifications (non-student hourly and student hourly) are not eligible for compensatory time and must be paid for all hours worked, including payment for hours beyond 40 in a given workweek at one and one-half the hourly rate.

EXEMPTIONS FROM THIS POLICY

Compensatory time is a form of overtime payment and any employee in a position designated as "exempt" from the overtime provisions of the Fair Labor Standards Act is therefore not subject to the terms of this policy.

DEFINITIONS USED IN THIS POLICY

Fair Labor Standards Act (FLSA) – the federal statutes (29 U.S. Code § 201, et seq.) and regulations (see 29 CFR § 553.25) that govern specific employee compensation requirements, including overtime pay and minimum wage. The FLSA allows public employers to utilize time off (compensatory time) in lieu of cash payment for overtime.

Exempt Employee – an individual working in a position that meets exemption criteria of the FLSA and is not subject to the overtime and/or minimum wage requirements.

Non-exempt Employee – an individual working in a position that is subject to the overtime and minimum wage requirements of the FLSA.

Overtime – Any hours worked by a non-exempt employee beyond 40 in an established work week are considered overtime and are compensated at one and one-half times the normal rate.

Established Work Week – An established work week is any regularly recurring period of 168 hours - seven consecutive 24-hour periods - designated as a period of work for an employee. The established work week for University departments shall be 168 consecutive hours beginning 12:01 a.m. each Saturday.

POLICY STATEMENT

Compensatory time refers to compensation, granted as future time off with pay, for instances when a non-exempt employee works beyond 40 hours (overtime) in an established work week. Supervisors may allow non-exempt employees to earn compensatory time off in lieu of overtime pay in accordance with the provisions of this policy and the Fair Labor Standards Act (FLSA). Compensatory time is earned at one and one-half times the overtime hours worked.

POLICY PROVISIONS

1. Supervisors are responsible for ensuring compliance with mandated provisions of the FLSA and should ensure an eligible employee is compensated for overtime hours. Non-exempt employees may be granted compensatory time in lieu of overtime pay.
2. Whether compensation for overtime is made by cash payment (at one and one-half times the hourly rate for all hours worked over 40 hours per week) or by compensatory

time is at the discretion of CSU Extension. A non-exempt employee may accumulate up to **80 hours** of overtime equating to **120 hours of compensatory time** at any given point in time.

3. Accumulated compensatory time should be scheduled and taken within 4 months of the date the compensatory time is earned. Therefore, accumulated compensatory time will be a rolling balance depending on when it was earned and when taken. The scheduling of compensatory time should be by mutual agreement between the employee and supervisor.
4. Compensatory time is not included as hours worked for overtime calculation purposes.
5. Upon hire, an agreement to accept compensatory time off in lieu of cash payment for overtime is a condition of employment.
6. Prior approval of the supervisor should be secured before a non-exempt employee is directed, authorized or allowed to perform overtime that will exceed the 40 hour per workweek threshold. Overtime approval may be verbal or written as determined by the supervisor. Emergency overtime should be reported to the supervisor as soon as possible for approval. Non-approved overtime may be subject to corrective or disciplinary action.
7. If an employee with accumulated compensatory time vacates his or her position (whether leaving CSU employment, moving into a different department at the University or transitioning into an exempt position), the compensatory time must be paid in cash at the next regular pay period.

COMPLIANCE WITH THIS POLICY

- Supervisors are responsible for ensuring compliance with overtime provisions for non-exempt employees, including tracking and scheduling compensatory time.
- The CSU Human Resources Department is responsible for designating positions as exempt or non-exempt.