Eller Overtime Guidelines

Many staff members hold nonexempt (hourly) positions and are eligible to earn overtime for time worked beyond their regular schedule. Please review the University’s [Fair Labor Standards Act and Overtime Policy](http://policy.arizona.edu/employment-human-resources/fair-labor-standards-act-and-overtime-policy) and other related policies at <https://policy.arizona.edu>.

Under the FLSA, all positions are considered nonexempt (hourly) until they can be proven to meet the criteria in the wage and duties tests. Nonexempt positions are considered more favorable to the employee because they are eligible to earn overtime for work beyond their regular schedule. Positions in the University Staff job architecture have been reviewed by the University’s Compensation Team and designated as nonexempt or exempt based on the duties test. Positions must also meet the wage test to be salaried.

# Definitions

***Overtime*** is time worked by nonexempt employees that exceeds the employee’s normally scheduled workweek. For full-time employees, overtime is time worked over 40 hours in a workweek. For part-time employees, overtime is time worked over the established full time equivalency (FTE).

***Nonexempt*** employees are paid for each hour worked, and record each hour worked on the time record. If the employee works more than 40 hours in one workweek, the employee is paid a premium of time and one-half, which is also referred to as overtime compensation. Nonexempt (hourly) and exempt (salaried) employee statuses are governed by the FLSA.

***Fair Labor Standards Act (FLSA)*** is a United States labor law that establishes minimum wage, overtime pay, recordkeeping, and child labor standards affecting full-time and part-time workers. The Wage and Hour Division (WHD) of the U.S. Department of Labor (DOL) administers and enforces the FLSA.

***Wage and Duties Tests*** are the two tests utilized by the FLSA to determine the exemption status of each position. If a position is compensated above the salary threshold and the primary duties of the position fall within one of the exemption categories, the position can be paid on a salaried basis and will not be eligible for overtime. To learn more about FLSA and exemption, a good starting point is the FLSA Fact Sheet available at <https://www.dol.gov/whd/overtime/fs17a_overview.htm>.

# Work Performed Outside of Regular Work Hours

Nonexempt (hourly) employees must be compensated for all hours worked. The minimum reporting time allowed by the University is 15 minutes. For example, if an employee responds to emails on Saturday (outside the scheduled work hours) for 7 minutes, that employee should report 15 minutes of work on Saturday.

Supervisors are encouraged to discuss schedule and work expectations with their employees. This is especially important when employees transition from exempt (salaried) positions to nonexempt (hourly) positions. For example, many employees feel that an email from a supervisor or college leader sent on the weekend needs to have an immediate response. Some ways supervisors can mitigate this perception include:

* Have a conversation with your employees about expectations for working over the weekend
* Schedule emails written outside of regular work hours to send during other times
	+ Schedule emails in Outlook <https://support.office.com/en-us/article/delay-or-schedule-sending-email-messages-026af69f-c287-490a-a72f-6c65793744ba>
	+ Boomerang email scheduler for Gmail <https://www.boomeranggmail.com/>
	+ Other email schedulers are available
* If reasonable, indicate that a text message will also be sent if an immediate response is required

# Pre-Approval of Overtime Work

Overtime must be approved by an employee’s supervisor in advance. Working overtime hours without prior approval may be considered a performance issue. Employees are expected to work overtime when requested to do so, but supervisors should also be respectful when requesting an employee to work overtime. Overtime should only be used after other alternatives have been explored. Please review the [FLSA and Overtime Policy](http://policy.arizona.edu/employment-human-resources/fair-labor-standards-act-and-overtime-policy).

# Compensation of Overtime

The University’s preferred method of compensating overtime is to provide compensatory time (comp time). This paid leave time can be used similarly to vacation leave. Supervisors may specify when comp time should be scheduled. Comp time is earned as time and a half or regular time depending on when and how the time was earned. Timesheets will default to comp time for overtime hours.

Paying overtime as additional wages is an exception. Payment of overtime as additional wages must be approved by a unit head. Units are expected to fund overtime wages on discretionary funds available to the unit. Unit heads may bring requests for exception to the dean or vice dean for approval before the overtime work is approved. Exceptions will be reviewed on a case-by-case basis.

# Overtime Calculation and Examples

Overtime is examined on a week-by-week basis. If an individual in a full-time (1.0 FTE) position works 35 hours in the first week of the pay period and 45 hours in the second week, the additional 5 hours in the second week will count as overtime. Flextime to accommodate events must take place in the same week. For example, if an employee regularly works Monday – Friday and is asked to assist with a 4-hour event on Saturday, the employee could take off 4 hours from one of their workdays earlier in the week to accommodate the schedule change.

Overtime calculations are based on hours *worked* in the week*.* If an employee reports 8 hours of holiday time and 35 hours of work time, the employee will be compensated for 43 hours (8+35 = 43) at their regular rate of pay. If an employee reports 43 hours of regular work time, the employee would be compensated for 47.5 total hours (40 hours at regular pay + 3 hours at time and a half = 47.5).

Compensatory time calculations are also based on FTE. If an employee holds a 0.50 FTE (20 hours per week) position, comp time begins *after* 20 hours. For example, if a 0.50 FTE works 22 hours, they will be paid for 20 hours and earn 2 hours of comp time. Time and a half does not begin until 40 hours have been worked in the week.

# How to Handle Insignificant Time

Although employees must be compensated for the time they work, there is an exception. According to the Department of Labor, “infrequent and insignificant periods of time beyond the scheduled working hours, which cannot as a practical matter be precisely recorded for payroll purposes, may be disregarded” (<https://webapps.dol.gov/elaws/whd/flsa/hoursworked/screenee29.asp>).

For example, if an employee who is not expected to answer emails on the weekend receives work email notifications on a cell phone and quickly glances at the notification, that probably will not need to be reported. The important factors to consider are frequency of the activity performed and whether it is work the employee has been hired to do. When in doubt, compensate.

# Volunteer Work

Employees are typically not allowed to volunteer to work unpaid hours for their employers. A determining factor on whether additional work for the university might be considered unpaid volunteer time is whether the employee is *doing the same type of work they are regularly paid to do*. For example, the university seeks volunteers to assist students during move-in before the fall semester starts. An employee working in operations in a business office could volunteer to help with move-in because there is no relation to the regular job duties.

# Time Reporting Expectations

Employees are expected to report all time worked accurately. Failure to report time or reporting too much time is falsification of the timesheet. Falsifying a timesheet may be considered fraudulent activity.

Employees reporting time and supervisors reviewing time are responsible for meeting all time reporting deadlines.

* Employees (time reporters) must report their time by 10:00 a.m. on the Friday of a non-pay week. Supervisors (time approvers) must approve time by 5:00 p.m. on that day.
* Some departments have weekend workers, in these cases, employees (time reporters) must record their time by 11:59 p.m. Sunday evening and time approvers (supervisors) must approve time by 10:00 a.m. the following Monday morning.