

Staff Personnel Manual (SPP)

SPP 404–04: Overtime—General Policy

Effective: 2/19/1985

Revised: 12/23/2024

Purpose

To provide overtime compensation for more than 40 hours actually worked in a work week

Sources

29 *United States Code* 207 (1961)

Fair Labor Standards Amendments of 1985, Public Law No. 99-150, 99 *Statutes-at-Large* 787 (1985)

Applicability

All nonexempt employees

Policy

Vice presidents shall establish internal procedures for the review and approval of [overtime](#) within their areas. Overtime work shall be authorized only when absolutely necessary. [Nonexempt employees](#) are not permitted to work more than 40 hours during a work week unless the additional work is ordered and approved in advance by the [supervisor](#). Employees may be required to work additional hours when necessary and may be scheduled for flexible working hours so that no more than 40 hours are worked in a work week.

[Departments](#) may provide compensatory time off in lieu of overtime compensation with respect to applicants and employees as follows:

Employees Hired on or before April 15, 1986

University policy in effect on or before April 15, 1986 is that compensation for overtime will normally be made in the form of compensatory time off. The appropriate vice president or designee may authorize payment in lieu of compensatory time provided funds are available.

Employees Hired on or after April 16, 1986

An agreement or understanding to provide compensatory time off in lieu of overtime compensation may be made a condition of employment. Such an agreement is valid if the applicant knowingly and voluntarily is informed that the compensatory time received may be preserved, used, or cashed out consistent with the provisions of the Fair Labor Standards Act.

An employee who actually works more than 40 hours in a work week must be compensated for the excess hours; nonexempt employees cannot waive the overtime requirement. Compensation will normally be made in the form of overtime. The appropriate vice president or designee may authorize compensatory time accrual instead if the employee has not exceeded the maximum allowable.

To be eligible for [compensatory time](#) or [overtime compensation](#), an employee must actually work more than 40 hours in a work week. A nonexempt employee whose regular work schedule is less than 40 hours in a work week and who works more than the regular schedule up to 40 hours shall be paid for all hours over their regular scheduled hours up to 40 hours, with any hours over 40 eligible for compensatory time or overtime compensation.

If a nonexempt employee works multiple nonexempt jobs, the number of hours worked in each job are added together when determining eligibility for compensatory or overtime.

Time off for holidays, vacation, sick leave, and leave with pay (i.e., jury duty, material witness service leave, emergency leave, voting leave, and compensatory time off) will not be considered time worked for the calculation of compensatory or overtime. However, a 15minute rest period in a continuous four-hour work shift will be considered time worked. A lunch break will not be considered worked time, unless the nonexempt employee is required to work during that time.

On-call duty will not count as actual hours worked in a 40-hour week for the purpose of determining overtime eligibility.

Time actually worked on [callback](#) duty will be included in the total hours worked within a work week.

The following types of work should be included or excluded in determining the number of hours worked for overtime purposes:

Types of Work or Pay	Hours Worked
Bereavement	exclude
Callback hours worked	include
Differential pay	exclude
Grievance hearing	include
Holiday	exclude
Lunch (unpaid)	exclude
Paid leave	exclude
Rest periods (up to 15 minutes)	include
Sick leave	exclude
Standby pay	exclude
Unpaid leave	exclude
Vacation	exclude

Supervisors should ensure that compensatory leave balances are kept to a minimum. The number of compensatory hours accrued should not exceed a maximum of 96 hours for nonexempt employees or 192 hours for nonexempt law enforcement officers. Employees should be provided the ability to use accrued comp time as soon as earned as feasible

within the department's work schedule. Each department is authorized to adopt a lower maximum cap on the number of compensatory hours that nonexempt employees can accrue.

Payment shall be made for all accrued compensatory time upon termination, transfer to another department, or when changing from nonexempt to exempt status in accordance with the requirements of the Fair Labor Standards Act. Payment shall be at the current hourly base pay rate.

A supervisor or department head must maintain accurate daily and weekly records of hours worked and time charged to paid or unpaid leave for each nonexempt employee. Time will be recorded to the nearest quarter hour.

To calculate a nonexempt employee's base hourly rate for overtime purposes:

1. Paid on a fiscal annual base salary:

divide the annual base salary by 2,080 hours.

2. Paid on an academic annual base salary:

divide the annual base salary by 1,560 hours.

Employees on Military Leave of Absence

Non-exempt employees called for active duty who have accrued compensatory time may elect to:

1. retain accrued hours until return to active work status
2. have hours paid out each pay period at either a normal or reduced work schedule

or

3. request a lump sum payment through their department for all accrued compensatory hours.

Cross-Reference

For information on overtime for work performed for specific university events, see [SPP 404-06](#), "Overtime for University Extraordinary and Specific Events."