

**What You Need To Know
About...**

**OVERTIME & COMPENSATORY
TIME OFF (CTO)**

Classified and non-classified positions are either exempt or non-exempt from the Fair Labor Standards Act. This determination is made based on criteria established by the U.S. Department of Labor.

NON-EXEMPT EMPLOYEES

Non-Exempt Employees are entitled to overtime compensation at the rate of 1.5 times the actual hourly rate for all hours worked in excess of 40 during the work week. Hours worked between 37.5 and 40 are compensated at the straight time hourly rate. Holidays that fall during the workweek or sick or annual leave taken during the workweek are not hours worked so those paid time off (PTO) hours do not count towards overtime rate eligibility. Employees should presume that they should not work overtime at their own initiative but only with their supervisors' approval. Employees will be paid overtime unless a compensatory time agreement exists prior to the overtime being worked.

EXEMPT EMPLOYEES

Exempt employees do not receive overtime compensation. These positions meet the Fair Labor Standards Act criteria for executive, professional, or administrative exemptions. Please see holiday section for applicable policy language.

EQUALIZATION OF OVERTIME

Overtime rosters will be posted by supervisors for any overtime assignments which are anticipated more than one work day in advance. Employees shall be placed on the roster based on seniority. Overtime will be offered to the most qualified senior employee. The next occasion for overtime will be offered to the next qualified senior employee. This process will continue until the list is exhausted. If the employee whose turn it is to be offered overtime refuses the overtime work, it will be offered to the next person on the list. If all employees decline, then overtime will be assigned to the most junior employee whose name appears on the roster and who is capable of doing the work.

REQUIRED OVERTIME

Employees may be required to work overtime under certain circumstances. However, the work must be of reasonable duration. Also, employee health, safety, and endurance must be considered, and the direction to work must be issued under reasonable circumstances.

COMPENSATORY TIME OFF (CTO)

Employees who are non-exempt may receive compensatory time off (CTO) instead of being paid overtime provided a compensatory time agreement exists prior to the overtime being worked. Hours worked in a workweek beyond 37.5 and up to and including 40 are calculated at the employee's regular hourly rate (1 hour worked equals 1 hour comp time). Hours worked beyond 40 hours in a workweek are calculated at 1.5 times the regular hourly rate (1 hour worked equals 1.5 hours comp time). Holidays and sick or annual leave hours are not hours worked and will not count toward overtime or compensatory time.

ADVANCED APPROVAL REQUIREMENT

In order for CTO to be applied, the supervisor and employee both must agree to that arrangement in advance of the overtime work. Employees are not required to accept CTO in lieu of overtime pay and supervisors are not required to give CTO in lieu of overtime pay. Employees will be paid overtime unless a compensatory time agreement exists prior to the overtime being worked. Administrative units within the University may establish specific limits on maximum CTO for the staff in that unit.

ACTION REQUIRED AFTER USING COMPENSATORY TIME OFF

When compensatory time has been used, the employee must complete a Shepherd University Compensatory Time Off Agreement (<http://www.shepherd.edu/hrweb/comp-time.pdf>). The supervisor will sign the form, make copies for the supervisor and employee, and forward the form to the Human Resources Office.

HOLIDAY COMPENSATORY TIME OFF

Hours worked by non-exempt employees on a University holiday will be compensated at 2.5 times the regular rate of pay (1.5 times the regular rate of pay in addition to the employee's normal rate of pay that they would receive for that holiday if they did not work). Exempt employees required to work on any designated holiday, shall be given substitute time off on an hour-for-hour basis.

Compensatory time which is accrued on a holiday must be used within 6 months. All other compensatory time must be used within one year of accrual.

Shepherd University Compensatory Time Off Agreement

This form is to be completed and signed by an employee and the employee's supervisor each time an employee is to be awarded Compensatory Time Off (CTO) for overtime work. It is not necessary to complete the form if the employee will be paid for the overtime work. Also, if flex time is used within the workweek, then this form is not required.

- This original document is to be filed with the employee's supervisor, and the employee should maintain a copy for his/her records. Supervisors, please send a copy of the completed, signed form to the Human Resources Office after the CTO has been used, which must be within one year of when it is accrued.
- In order for CTO to be applied, the supervisor and employee both must agree to that arrangement in advance of the overtime work. Employees are not required to accept CTO in lieu of overtime pay and supervisors are not required to give CTO in lieu of overtime pay.
- Please refer to the Shepherd University Staff Handbook and Board of Governors Policy 9 for policies related to overtime work.

I agree to accept time off as compensation for overtime work and to use Compensatory Time Off (CTO) in accordance with Shepherd University policy. I understand that compensatory time may be limited, preserved, used, or paid consistent with the provisions of Shepherd University policy and applicable law and regulations of the U.S. Department of Labor, and that my supervisor may require me to take any accrued CTO before or instead of using annual leave, unless I should be at my maximum annual leave balance.

Employee's Name (Print): _____

Employee's Signature: _____ **Date:** _____

Supervisor's Name (Print): _____

Supervisor's Signature: _____ **Date:** _____

Date Comp Time Accrued: Number of Hours Accrued: Reason:	Date(s) Comp Time Used:
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