CITY OF COMMERCE ADMINISTRATIVE POLICIES

COMPENSATORY TIME/OVERTIME

1.0 PURPOSE

To establish policy guidelines for the recording, utilization, and auditing of overtime and compensatory time performed by employees of the City of Commerce.

2.0 POLICY

- 2.1 FLSA: This policy will not contravene the provision of the Federal Fair Labor Standards Act (FLSA) pertaining to the minimum rate of compensation for employment in excess of an established work period, excluding exempted positions.
- 2.2 FLSA: Under the provisions of the FLSA, compensatory time may be as agreed upon by the employer and the individual employee, but may not be imposed by the employer in lieu of overtime pay upon any nonexempt employee who has not so agreed to such compensating time off.
- 2.3 The following classes of employees are exempt from overtime pursuant to the Fair Labor Standards Act: Class (01)
 Class (02)
- 2.4 The City's responsibility for payment of overtime and the granting of compensatory time is as follows:
 - A. The City is not obligated by statue to grant all employee requests for compensatory time off instead of overtime.
 - B. The City is required to compensate overtime at the rate of one and one-half for hours worked in excess of the number of hours allowed per work period as designated under the Fair Labor Standards Act.
 - C. The City may grant compensatory time off in lieu of overtime at its discretion at the rate of one and one-half.
 - D. Compensatory time off may be accumulated to a maximum of 40 hours, 60 hours for firefighters, to be used at a later time.
- 2.5 The City can require an employee to take compensatory time during periods in which the work load of the city is light.
- 2.6 The employee has the right to request the use of accumulated compensatory time. The use of compensatory time must be allowed within a reasonable period of time (2 weeks) following the employee's request unless the operation of the City would be unduly disrupted by the employee's absence from work.

- 2.7 The City has the right to cash out an employee's compensatory time at any time during the employee's tenure.
- 2.8 The City will pay the employee for unused accumulated compensatory time within the limitations established by this policy, 2.4 D., upon termination of employment with the City.

3.0 **DEFINITIONS**

- 3.1 Overtime: work performed in excess of the hours permitted under the FLSA work period. Overtime will be paid at a rate of one and one-half times the employee's straight time hourly rate.
- 3.2 Half-time Method: hours worked over the number of hours allowed in the work period will be compensated at 50 percent of the regular rate.
 - A. Nonexempt employees whose hours fluctuate from week to week (firefighters), and paid a fixed salary will have overtime hours calculated on the half-time method.
 - B. The fixed salary constitutes total straight time compensation for all hours worked, including overtime hours.
- 3.3 Compensatory Time: time off granted in lieu of overtime pay for hours worked in addition to the regularly scheduled work period.
- 3.4 Employee: in the context of this policy, refers to those employees who are eligible for overtime compensation.
- 3.5 Employer: supervisory personnel with the authority to authorize the use of overtime.

4.0 RESPONSIBILITIES

- 4.1 Department Heads
 - A. It will be the responsibility of each Department Head to equitably administer the provision of this policy within their respective departments.
 - B. Department Heads are the authorized authority for the approval of overtime requests. It will be their responsibility to determine whether overtime or compensatory time is granted to the employee.
 - C. Will ensure that all overtime and compensatory time earned and used is recorded on the employee's time card/sheet as it occurs.
 - D. Will exercise extreme discretion in the utilization of overtime within their departments.
 - Temporary adjustments in working hours or realignment of duties within the department should be considered as alternatives to the use of overtime.
 - Overtime will be considered necessary only in emergency situations, wherein additional effort is needed to complete a task which is critical in nature.

E. Overtime, when ordered for the maintenance of essential City functions, will be allocated as evenly as possible among all employees qualified to do the work.

4.2 Employee

A. It is the responsibility of the employee to ensure that accrued compensatory time is used within the time limitation set forth by this policy.

4.3 Accounting Supervisor

- A. Will ensure that a permanent record of overtime/compensatory time accrued and used is kept on all employees based on information provided by Department Heads and that the proper financial transactions are completed at the end of each pay period.
- B. Upon termination, will ensure that eligible employees are given credit for all overtime accrued and all unused compensatory time with the limitations established by this policy, 2.4 D.

EFFECTIVE: 07-25-11

CITY MANAGER APPROVAL:

LAST REVISED:

06-26-00