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SECTION: HUMAN RESOURCES

AREA: COMPENSATION

SUBJECT: OVERTIME COMPENSATION

PURPOSE

To establish consistent applications at the University of Arkansas for Medical Sciences (“UAMS”) for the uniform condition under which compensation or payment will be made for Hours Worked in excess of the defined work day or workweek, as defined by The Fair Labor Standards Act (FLSA) of 1938, as amended in 1986 to cover State and local governmental bodies.

SCOPE

All UAMS employees.

DEFINITIONS

Accutime shall mean the UAMS official timekeeping software Kronos.

Compensatory Time shall mean time off with pay in lieu of Overtime payment for Overtime work. Compensatory Time off is calculated at a rate of one and one-half times the number of Overtime Hours Worked for hourly employees. Compensatory Time off is the preferred method of compensation.

Exempt shall mean an employee in a position which is exempt from the Overtime provisions of the Fair Labor Standards Act as determined by the Office of Human Resources. Exempt employees are also known as “salaried” and are not eligible for Overtime payment.

Hours Worked shall mean all hours and minutes in which the employee is required or allowed to perform duties for the benefit of the University. Hours Worked also includes call back, paid jury leave hours, required meetings, preapproved seminar time, and paid military leave hours.

Non-Exempt shall mean an employee in a position which is covered by the Overtime provisions of the Fair Labor Standards Act and determined by the Office of Human Resources. Non-Exempt employees are also known as “hourly” and must be paid Overtime or Compensatory Time.

Overtime shall mean the additional compensation paid to Non-Exempt employees who work more than 40 hours in a workweek.

POLICY

Federal law¹ and State policy² require that Non-Exempt/hourly employees who work more than 40 hours in a work week³ must be paid Overtime hours at 1 1/2 times the regular pay rate or be granted Compensatory Time off in lieu of Overtime pay.

PROCEDURES

Non-Exempt/Hourly Employees

1. Each department must determine how Overtime will be handled for their Non-Exempt/hourly employees; either by Overtime pay or Compensatory Time and recorded appropriately. The department cannot elect to pay some employees Overtime while other employees receive Compensatory Time.
2. Each department is required to maintain a record of the total daily Hours Worked for each employee in a Non-Exempt ("hourly") position and to retain such records for a minimum of three years using Kronos.
3. Compensatory Time hours must be tracked manually by the department timekeeper.
4. A maximum of 240 Compensatory Time hours may be banked or accrued for employees designated for Compensatory Time, with the exception of public safety officers who may record a maximum of 480 Compensatory hours. Thereafter, all overtime hours must be paid on a biweekly basis.
5. Employees wishing to use banked or accrued Compensatory Time hours must make a written request to their supervisor. Supervisors may also determine when Compensatory Time must be used and advise the employee to take time-off as designated. When considering Compensatory Time requests, the needs of the employee must be balanced with the operational needs of the department.
6. Converting Compensatory Time off to Overtime pay to reduce an employee's banked or accrued Compensatory Time is allowed at the discretion of the manager.
7. Vacation, sick leave, holidays, Compensatory Time used, military leave unpaid, family medical leave unpaid, unpaid leave, and other forms of time off are not counted as Hours Worked for Overtime calculations. Employees may be paid for 40 Hours Worked plus hours for sick or vacation, under circumstances which encourages the employee to meet the operational needs of their department. That is, when a vacation or sick day has legitimately been taken and the employee is asked to "make up" the work or work an extra shift the "make up" time worked will credit toward the employee's sick or vacation hours and will not be not qualify for Overtime pay.
8. Overtime payments made on a biweekly basis are not included in calculations for Line Item Maximum salary. Compensatory Time off, when paid, is considered to be a part of normal salary and is included in calculations for Line Item Maximum salary.
9. Any balance of Compensatory Time off for a Non-Exempt/hourly employee must be paid at termination on the employee's final check.
10. Non-Exempt/hourly employees who change to an Exempt/salary classification must have all accumulated Overtime paid out at the time of transfer.

11. When a Non-Exempt/hourly employee has a concurrent position, the employee's Overtime rate is based on the higher hourly rate of the two positions.
12. Campus Police exemption - A two (2) week pay period is used to calculate Overtime for Campus Police. This group may work up to 85.5 hours during the period before Overtime is paid.

Exempt/Salary Employees

1. Employees in Exempt ("salaried") positions are not eligible for statutory Overtime payment or Compensatory Time off. Exempt/salaried employees may be granted, at the discretion of their department director and pursuant to UAMS HR Policy 4.2.11, time off or other considerations when excessive hours have been worked.

REFERENCES

¹ US Department of Labor/FLSA <https://www.dol.gov/agencies/whd/flsa>

² [OPM Policy, Compensatory Time Off, 40.01.](http://www.dfa.arkansas.gov/offices/personnelManagement/policy/Documents/40_01CompensatoryTime.pdf)
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³ UAMS Administrative Guide Policy 4.8.02, Work Schedules

Signature: _____



Date: **February 8, 2022**