

## **Overtime –Compensatory Time Overview FAQ's and Calculation Examples**

### **What is overtime?**

The Federal Fair Labor Standards Act (FLSA) requires that **non-exempt** (hourly) employees receive one and one-half times their regular hourly rate, in the form of pay or compensatory time, for all hours **worked** in excess of 40 in a work week (or 80 in a 14 day work period for applicable police staff). Eligible employees cannot waive their rights to overtime under the FLSA.

Positions designated as **exempt** (salary) under the FLSA and outlined in section 500 of the Town of Chino Valley Personnel Policy and Administrative Guidelines Manual are not eligible for overtime compensation. Employees **exempt** under the FLSA are paid for performing a job regardless of the number of hours worked; therefore, they do not receive additional compensation for working more than 40 hours in a work week.

### **What positions are eligible for overtime?**

All non-exempt positions are eligible for overtime after they receive advance authorization by their appropriate department head and/or supervisor. If you are not sure whether you are non-exempt or exempt, please feel free to contact the Human Resources Department.

### **How is overtime compensated?**

Overtime is compensated in the form of cash payment or compensatory time off at a rate of 1.5 hours for each hour of overtime worked. Compensatory time off should be scheduled as soon as practical, so long as it does not unduly disrupt town operations (as determined by the employee's department head). Employees can bank up to 40 hours of compensatory time (26.67 hours of actual overtime work.)

### **What counts towards overtime?**

Overtime is not accrued until after 40 hours are **worked** (not just reported) during the established work week (or 80 hours in a 14 day work period for applicable police staff). Paid leave such as vacation leave, sick leave, holidays, personal leave and compensatory time off are not counted as hours worked when calculating overtime.

### **What is flextime and what is its purpose?**

The focus of flextime is to be able to combine the needs of a busy personal life and demanding professional life. Flextime is an arrangement that allows an employee and supervisor to alter the start and end times of your work day(s) in a normal work week. Flextime does not reduce or increase the total number of hours worked in a given work week; it allows you to work a different set of hours on the days that fall under the same work week. For example, if you normally work four 10-hour days, but need to work a twelve hour day due to a special project or meeting, it may be suitable to flex the last day of your week and work an eight hour day, so overtime is not accrued. With your supervisor's pre-approval, and on an as-needed basis, you may be able to flex your 40 hour work week or 80 hour work period to ensure you meet, but do not exceed your set schedule.

### **What if I am scheduled to work on a recognized holiday? Do I get overtime even if I have not worked 40 hours in a work week (or 80 hours in a 14 day work period, for applicable police staff)?**

Yes. Eligible employees are paid eight (8) hours of regular pay (or a reduced rate for eligible employees working less than 40 hours per week) for all town approved holidays. All **non-exempt** employees required to work on an actual holiday shall be paid for the actual holiday hours worked at the rate of one and one half (1½) times your regular pay, in addition to being paid the eight (8) hours of regular holiday pay.

### **Can a non-exempt employee volunteer to work extra hours without being paid overtime?**

No. Non-exempt employees cannot waive their right to overtime compensation (voluntarily or involuntarily). Overtime work for non-exempt employees must be pre-approved by the department head and/or supervisor. Unauthorized overtime may result in corrective action. Authorized or not, once overtime hours are worked and acknowledged, a non-exempt employee must be compensated accordingly.

### **Can hours be averaged across two or more weeks to avoid overtime pay?**

No. Work hours cannot be averaged across two or more weeks to avoid overtime:

- It is NOT acceptable to average work hours at the end of the month.
- It is NOT acceptable for a non-exempt employee to work over 40 hours in one week and take the time off, hour for hour, the next week. Compensatory time can be earned and used at a rate of 1.5 hours for each hour of overtime worked.
- Overtime does NOT accrue simply because an employee works beyond his/her regular schedule on a given day.
- Applicable police department staff accrue overtime or compensatory time after 80 hours in a 14 day work period.

**What if I get called out on other than regular work hours?**

If you are called out, on other than your regular work hours, you will be paid a minimum of two (2) hours of overtime. These hours will not be used in the calculation of hours worked to calculate regular overtime eligibility.

**What if I have additional questions regarding overtime and compensatory time?**

Since overtime issues may be complex and depend on the specific circumstances involved, please contact your Human Resources Department (Laura Kyriakakis or Tiffany Resendez), at 928-636-2646 with questions and for additional information.

**Overtime – Compensatory Time  
Calculation Examples (for non-exempt staff)**

**Example 1**

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
		10	12	9	9		

- 40 hours worked. Pre-approved flextime used to ensure work week hours are not exceeded.
- No overtime or compensatory time accrued for this work week.

**Example 2**

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
		10	10	10	10	4	

- 44 hours worked.
- Four (4) hours at 1½ rate = Six (6) hours overtime pay or compensatory time.

**Example 3**

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
		8 Holiday	11	11	10		

- 32 hours worked and eight (8) hours of holiday pay received.
- Flextime used to ensure regular work hours are met.
- No overtime accrued for this work week.

**Example 4**

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
		8 Holiday	10	10	10	6	

- 36 hours worked and eight (8) hours of holiday pay received.
- No overtime accrued for this work week.
- Four (4) additional hours paid at the regular hourly rate.

**Example 5**

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
		10	10	10	10		4

- 44 hours worked.
- Four (4) hours of overtime from “Week 1” cannot be carried over to “Week 2” (excluding applicable police staff who work 80 hours in a 14 day work period).
- Four (4) hours at 1½ rate = Six (6) hours overtime pay or compensatory time.

**Example 6**

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
		6	10	10	5	5	

- 36 hours worked.
- Four (4) hours of accrued leave should be added, if available, to achieve a 40 hour work week.
- No overtime accrued.