

Compensatory Time Policy for Nonexempt Employees



Effective Date: 11/14/2023

POLICY SCOPE:

The Town of Stow complies with the Fair Labor Standards Act (FLSA). Under certain circumstances, employees of local government agencies may receive compensatory time off instead of cash overtime payment.

APPLICABILITY:

This policy applies to full time, non-exempt employees who may be required to work in excess of the normal scheduled work week of either of thirty-seven and one half (37.5) or forty (40) hours for projects or events occurring during their normally scheduled time off. Employees governed by a collective bargaining agreement are subject only to those provisions of this policy not specifically regulated by law or agreement.

DEFINITION:

Nonexempt: An individual who is not exempt from the overtime provisions of the FLSA and is therefore entitled to overtime pay for all hours worked beyond 40 in a workweek (as well as any state overtime provisions). Nonexempt employees may be paid on a salary, hourly or other basis.

Exempt: An individual who is exempt from the overtime provisions of the Fair Labor Standards Act (FLSA) because he or she is classified as an executive, professional, or administrative professional (one who is directly related to management) and meets the specific criteria for the exemption. Certain computer professionals may also be exempt. With some limited exceptions, exempt employees must be paid on a salary basis and minimum pay level each week.

POLICY DESCRIPTION:

Compensatory time is authorized in those instances when the employee is not entitled to overtime pay or elects to not be paid for work performed in excess of the employees' normal workweek in accordance with the provisions of the U.S. Fair Labor Standards Act.

- Compensatory time is not an entitlement and is only given with the prior authorization of the direct supervisor and the agreement of the employee.
- Compensatory time must be requested and approved prior to working the extra time.
- For hours required to be actually worked* in excess of thirty-seven and one half (37.5) up to forty (40), compensatory time will be allowed at the employee's option at the rate of one (1) hour compensatory time for one (1) hour of required work.

- For hours required to be worked* in excess of forty (40) per week, compensatory time will be allowed at the employee's option at the rate of one and one half (1.5) hours compensatory time for one (1) hour of required work.

**Holiday pay, sick, vacation or personal leave pay taken within a pay period is not considered time worked. In a week where one (1) sick, vacation or personal day was paid, compensatory time will not accrue at time and one half until after forty (40) hours have been worked. It will accrue at straight time.*

PROCEDURE:

- Using the Compensatory Time Authorization Form, track and record the project being completed and the estimated number of hours being accrued. Keep a copy of the form and forward a copy to the Human Resources Department with the department payroll paperwork. Accrued compensatory time will be tracked both in the HR Department and the employee's department.
- Use of any accrued compensatory time must be requested via the usage of a Time Usage Request Form and should be requested five (5) days in advance of the designated date and will be granted or denied based on staffing and workload levels.
- Use of compensatory time must be recorded on the employee's timesheet.
- Compensatory time used within a workweek will not be counted towards time worked in computing overtime hours. It is not considered "time worked".
- Existence of this policy does not imply the automatic authorization of compensatory time. It is ultimately the decision of your direct supervisor as to whether or not you or your department is eligible to accrue compensatory time.
- Compensatory time must be used within three (3) work months of completion of a project. If it is not used within this time period, the time will be cashed out.
- All compensatory time must be used by June 30th of each fiscal year or it will be cashed out in the first paycheck after July 1st of each fiscal year.
- All time worked outside of the workday must be documented and pre-authorized.
- Maximum accrual of compensatory is thirty-seven and one half (37.5) hours at any given time.
- Seasonal employees are not eligible for compensatory time. Employees whose service is governed by civil service law or collective bargaining agreement are subject only to those portions of this policy, which are not specifically regulated by law or agreement.