



TEXAS A&M

## HEALTH SCIENCE CENTER

### **Understanding Federal and State Overtime and Compensatory Time**

Many people aren't aware of the differences between federal and state overtime, time-and-a-half and straight-time compensatory (comp) time, or exempt and nonexempt employees. However, understanding these terms can impact your work life.

You work overtime when you work more hours than you are normally scheduled to work. Whether you are compensated (receive comp time or pay) for working overtime depends on whether you are exempt or nonexempt under federal law. Your supervisor can tell you whether your position is exempt or nonexempt. If you are eligible to be compensated, you can be granted compensatory time, or you can be paid for the time. The A&M System's practice is to grant comp time in most situations.

#### ***Federal Overtime***

If you are nonexempt, you earn federal overtime whenever you work more than 40 hours in a workweek. Paid leave or holidays taken during a workweek are not counted as hours worked when determining federal comp time.

Normally, if you are nonexempt, you receive an hour and a half of comp time for each hour that you work in excess of 40 in a workweek. For example, if you work 43 hours one workweek, you will earn 4½ hours in federal overtime for the three extra hours you worked. Under certain circumstances and at your department head's option, you may be paid for overtime at a rate of one and a half times your hourly rate instead of receiving comp time.

If you work more than eight hours one day, your supervisor may require you to work fewer hours another day during the same workweek to avoid overtime.

You may accumulate up to 240 hours of federal comp time and keep it indefinitely. If you work in a public safety, emergency response or seasonal job, you may accumulate up to 480 hours. You will be paid for any overtime that exceeds these limits.

You keep your rights to accumulated federal comp time until you use the time or are paid for it. When you leave employment, you will be paid for remaining federal comp time or, with your supervisor's approval, you may remain on the payroll to use it up.

#### ***State Overtime***

If you are nonexempt and you work no more than 40 hours in a workweek but your work time and paid leave or holidays total more than 40, you will receive state comp time for the hours that exceed 40 in the workweek. You will receive one hour of state comp time for each hour of paid time in excess of 40.

Let's say you work only 36 hours one week, but you also took eight hours of sick leave that week. Even though you reported 44 hours on your time sheet, you worked only 36 of those. This means you will earn four hours of state comp time (36 hours worked plus eight hours of sick leave minus 40 hours in a workweek).

If you are exempt, you also are eligible for state comp time to accommodate a flexible work schedule, if allowed by your employer. For example, an exempt employee may regularly work 45 hours one week, earning five hours of state comp time, and use that time to work only 35 hours the next. This applies only

to a regular, approved flexible work schedule. If you are exempt, you are eligible for state comp time for working overtime only in limited circumstances and with the approval of your chief executive officer.

Whether you are exempt or nonexempt, you may not earn state comp time for any time you work at your home, except on a holiday. You must use state comp time within 12 months of the end of the workweek in which it was earned. If you do not use it within this period, you will lose it.

State law prohibits payment for state comp time at termination of employment. However, under A&M System policy, you may remain on the payroll to use up your state comp time.

### ***Using compensatory time***

You must have your supervisor's permission before using your accrued federal or state comp time. In most cases, supervisors will allow you to use your comp time when you wish. However, use of time off may be denied at times when your absence would disrupt critical functions of your department. Your supervisor may require you to use accrued federal comp time before using vacation.

If you request use of state comp time at least 90 days before it expires, your supervisor must either approve your request or suggest an alternate time you may take it. If you request use of state comp time less than 90 days before it expires, your supervisor must make every effort to accommodate your use of the time, but is not required to allow you to use it if your absence would disrupt critical functions.

### ***Definitions***

#### **Federal overtime:**

You have worked overtime under federal law when you work more than 40 hours in a workweek.

#### **State overtime:**

You have worked overtime under state law when your hours worked plus paid leave and holidays total more than 40 hours in a workweek.

#### **Time-and-a-half comp time:**

Comp time awarded for working federal overtime. Eligible employees receive one and a half hours of comp time for each overtime hour worked.

#### **Straight-time comp time:**

Comp time awarded for working state overtime. Eligible employees receive one hour of comp time for each overtime hour worked.

#### **Nonexempt employees:**

Those not exempt from federal overtime laws. Nonexempt employees are eligible to be compensated for federal and state overtime. Nonexempt employees are required to submit timesheets documenting actual time worked and must have their supervisors' permission before working overtime.

#### **Exempt employees:**

Those exempt from federal overtime laws. Exempt employees are not compensated for federal overtime and may be compensated for state overtime only in limited circumstances. Most exempt employees do not fill out timesheets and can work more than 40 hours without a supervisor's permission.

**Workweek:**

If you are paid biweekly, your workweek is generally Thursday through Wednesday. If you are paid monthly, your workweek is Monday through Sunday.

***For more information***

If you have questions about federal or state comp time, ask your supervisor for more details or contact your HSC Payroll & HR Services. You'll also find information about comp time in two of System Human Resources' online training programs. The programs, "Time Off Issues for Employees" and "Time Off Issues for Supervisors," can be accessed at [sso.tamu.edu](http://sso.tamu.edu) (click on "HRConnect," then "Training").