

## CORPORATE POLICY

**SUBJECT: The Pay Plan - Overtime Payments**

**CATEGORY: Human Resources**  
**ORIGINAL DATE: January 01, 1986**  
**REVIEWED DATE: November 28, 2017**  
**REVISION DATE: November 28, 2017**

- I. **POLICY:**  
Eligible employees may be compensated for hours worked in addition to their regularly scheduled period of work by monetary payment.
- II. **SCOPE:**  
All Lake County Health Department and Community Health Center employees.
- III. **PROCEDURE:**
  - A. The following describes the categories of employees by job classification, pay grade and their eligibility to be compensated by monetary payment.
    1. Hourly Employees (Non-Exempt) - Employees in this category shall be compensated for overtime worked by monetary payment or compensatory time. All monetary payment for overtime must be in the employee's regular job classification.
    2. Professional, Administrative and Executive Classification Employees (Exempt) - eligibility will vary based on annual pay rate, as governed by Fair Labor Standards Act (FLSA).
    3. Non-Exempt employees are those in classifications covered by the Fair Labor Standards Act. Human Resources (HR) will determine non-exempt status consistent with the provisions of the FLSA.
  - B. Hours of work credited at straight time:
    1. Non-exempt employees who work between 37.5 and 40 hours per week will be credited at the straight time in overtime payments or compensatory time.
  - C. Hours worked credited at time-and-one-half:
    1. Non-exempt employees who work over 40 hours per week will be credited at an overtime payment of time-and-one-half or compensatory time at time-and-one-half.
    2. Inpatient facilities non-exempt employees having a work period designated as 8 and 80 must be compensated with overtime payment (time-and-one-half) or compensatory time (time-and-one-half) if engaged in work in excess of eight (8) hours in any work day and in excess of 80 hours in a 14-day work period.
  - D. Requirements for Overtime:
    1. Overtime payments must be based on the regular rate of pay for the job classification in effect when the overtime was worked as defined by the FLSA regulatory requirements.
    2. Exempt personnel are those employees in a classification exempt from FLSA such as Executive, Administrative and Professional employees. Human Resources will determine exempt status consistent with the provisions of the FLSA.

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3. Directors will make every effort to assign overtime as equitably and evenly as possible. To determine eligibility for overtime payment or compensatory time, any absence with pay shall not be considered as time worked.
  4. The smallest increment of working time that may be credited as overtime or compensatory time is seven and one-half minutes (7 1/2 minutes). Portions of the seven and one-half minutes (7 1/2 minutes) worked at different times may not be added together for the purpose of crediting overtime or compensatory time.
  5. All overtime payment or compensatory time must be authorized by the supervisor in advance of being worked. If prior authorization is not feasible because of emergency conditions, a confirming authorization must be made on the next regular working day following the date on which the overtime or compensatory time was worked. Overtime or compensatory time worked must be in the job classification in which the person is regularly employed. In compliance with the FLSA all non-exempt employees must be paid for all hours worked, regardless of prior approval. However, employees may be disciplined for working unauthorized hours (see "Authorized Work Hours" in the *Timekeeping* policy). Under no circumstances should a supervisor remove time worked from an employee's timecard.
- E. Compensatory Time Off
- Beginning January 1, 1986, eligible employees may elect to liquidate overtime hours in excess of 40 at pay equal to one and one half (1.5) times their regular rate or accumulate compensatory time off at one and one half (1.5) hours for every hour worked in excess of 40.
1. Compensatory time means the accrual of hours worked in excess of the normal work week consistent with the requirements of the FLSA.
  2. Employees may accrue up to 240 compensatory time hours in a calendar year.
  3. All hours accrued in excess of the maximum 240 hours must be liquidated consistent with the provisions of the FLSA. All compensatory time accruals must be liquidated in cash at straight time or in time off by the end of the LCHD/CHC fiscal year (November 30<sup>th</sup>) or at separation.
  4. Once an employee has accrued 240 compensatory hours no further accruals may be made to the compensatory time balance, regardless of deletions. Overtime must be liquidated by the appropriate cash payment.
  5. Full time, non-exempt employees who work three or more hours in a day over their normal work hours, and over 37.5 or 40 hours of their normal work week, may convert overtime hours into compensatory time. Anything less than three hours over one's normal hours in a day, and over their normal weekly hours, does not qualify.
  6. Directors are responsible for the management of overtime and the documentation supporting the need of such overtime payments and compensatory time.
  7. Definitions of time worked for the purpose of calculating overtime payments and compensatory time shall conform to the FLSA, the relevant regulations as published by the Wage and Hours Divisions of the United States Department of Labor and any subsequent amendments to either the Act or the Regulations.

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- F. On-Call Pay
  - 1. When a non-exempt LCHD/CHC employee is off duty, but may be called for the performance of work, he/she is considered to be on-call. An employee on call who is summoned to perform official duties will be credited for actual hours worked. If the employee is summoned to perform any official duties during his/her on-call week, he/she will be credited a minimum of one-half hour. An individual will be paid \$75.00 for being on-call for one week.
- G. Exempt Employee Standard Pay
  - 1. Full-time exempt employees will be paid a predetermined amount each pay period except for any work day in which he/she performed no work.
  - 2. If an exempt employee works a partial day (less than 8 hours), benefit leave time should be used to cover the missed time. If the employee does not have available benefit leave time to cover the hours not worked, he/she must be paid full salary for that day. It is understood that exempt employees, who typically work over 40 hours a week, may exercise the ability to flex their time as necessary, when approved.
- H. Directors must budget for monetary payment of overtime.
  - 1. Budget requests for overtime should include an explanation as to how the request was arrived at, as well as an explanation as to why the overtime is required.
  - 2. Directors are responsible for the approval of the payment of overtime in their programs of supervision
- I. The Director of Human Resources may, from time to time, investigate claims for overtime to ascertain the need for it. The Director of Human Resources may also investigate employee complaints concerning inequitable assignments of overtime.
- J. Pay Delay - There shall be a minimum of two week (ten working days) hold back of payroll for non-exempt employees so that the Payroll Claim Forms, time and attendance records and gross pay will balance in conformance with the Fair Labor Standards Act requirements.

#### IV. REFERENCES:

Fair Labor Standards Act  
Relevant regulations as published by the Wage and Hours Divisions of the United States Department of Labor

#### V. AUTHORS/REVIEWERS:

Designated Review Team, Corporate Policy and Procedure Committee, Executive Team, and Lake County Board of Health Personnel Committee.

#### VI. APPROVALS:

Lake County Board of Health President

Signature: \_\_\_\_\_ Date: \_\_\_\_\_