

Overtime

HR-06-30

About This Policy

Effective Dates:

07-01-1969

Last Updated:

06-01-2022

Responsible University Administrator:

Vice President for Human Resources

Policy Contact:

[IU Human Resources](#)

askHR@iu.edu

Scope

This policy applies to Non-Exempt staff and part time employees covered by the federal Fair Labor Standards Act (FLSA) overtime pay provisions.

Policy Statement

1. The Fair Labor Standards Act (FLSA) requires that covered employees receive overtime pay for work over 40 hours in a workweek.
 - a. Under university policy, Exempt staff are not covered by FLSA overtime provisions and are not eligible for overtime pay.
 - b. All Non-Exempt staff and part time employees are covered by the FLSA and required to be paid overtime. The university's workweek begins and ends at 12:00 midnight on Saturday.
 1. For Non-Exempt (excluding PAU) staff, overtime pay must be compensated at a rate of time and one-half in the form of extra pay or compensatory time off subject to compensatory time off procedures (OVT or CPE).
 2. [See the Non-Exempt Non-Union PAU Positions](#) policy for information on overtime pay for Non-Exempt PAU staff employees.
 3. For part time employees, overtime pay must be compensated at a time and one-half rate in the form of extra pay. Compensatory time off does not apply to part time employees.
2. Except for the paid time-off categories listed in this policy, paid time-off does not count as part of the 40 hours in a workweek to determine if overtime pay is applicable and the amount of overtime pay that is due.
3. It is the responsibility of supervisors to plan and schedule the work of employees covered by FLSA provisions so that it can be performed within the regularly scheduled hours.
4. Although mandatory overtime is discouraged, it is expected that employees will accept reasonable assignments to work overtime except where cases of personal emergency exist. It is the employee's responsibility to bring the nature of the personal emergency to the supervisor's attention so that the supervisor can decide to require the overtime work or not.
5. Employees must have supervisory permission in advance to work overtime. Unauthorized overtime work is compensated but may result in discipline up to and including separation.

Reason For Policy

The Fair Labor Standards Act is complex, with a long history of federal regulations and rulings written to explain and apply the act. This policy provides university managers and supervisors with directions necessary to comply with overtime pay provisions of FLSA.

Procedure

Assigning overtime work for Non-Exempt staff and part time employees

1. When overtime work is scheduled in advance, units should:
 - a. Schedule qualified staff employees so that they rotate having the opportunity to work the hours.
 - b. Schedule qualified staff employees according to their seniority within an occupational unit.
 1. Non-Exempt CWA staff employees are scheduled overtime according to their university seniority.
 - c. Provision b. above does not apply when the assignment is for the time immediately before or after the staff employee's regular hours, and the work is the continuation of the employee's regular work assignment.
 - d. Units may have other overtime assignment arrangements for which there are long-standing practices and mutual, written agreements between management and a union which the parties recognize.
2. Before overtime can be assigned to a part time employee within an occupational unit, the work must first be offered to all staff employees within the respective employee group (i.e., Non-Exempt staff).
3. When selecting a staff or part time employee to work the assignment, it is the unit's prerogative to determine whether an employee is qualified and can satisfactorily perform the required work.

Paid time-off that counts toward overtime pay for staff employees

1. The following six categories of paid time-off count as part of the 40 hours in a workweek to determine if overtime pay is applicable and the amount of overtime pay that is due.
 - a. [Adverse Weather](#) – (WTH)
 - b. [Adverse Working Conditions](#) – (ADW)
 - c. [Emergency Rest Time](#) – (ERT)
 - d. [Holiday](#) – (HOL) and (HTK)
 - e. [Injury with pay](#)- (INJ)
 - f. Union Administrative Time (UNB) – [CWA](#), [AFSCME Police](#), or [AFSCME Service](#).
2. All other categories of paid time-off do not count as part of the 40 hours in a workweek to determine if overtime pay is applicable.
3. When an employee uses paid time off applied to any of these other categories (vacation, income protection time (sick time), PTO, etc.), there may be work hours outside the employee's regular schedule that do not qualify to be paid as overtime. These hours worked will be compensated at a straight time rate, either in the form of pay or compensatory time off at the unit's choice. Use the following payroll codes for these hours:
 - a. NEP Non-overtime eligible pay
 - b. NEC Non-overtime eligible comp time (no pay)
4. In units that permit flexible or alternate work schedules, adjustments may occur in the number of hours applied to time off. The amount of time applied to paid time-off or absent without pay may be reduced so that the total of time off and time worked equals 40 hours with no NEP or NEC time.

Compensation for overtime work for Non-Exempt (excluding PAU) staff, part time employees.

1. Non-Exempt (excluding PAU) staff must receive overtime compensation for hours worked more than 40 hours in a workweek. The overtime compensation shall be at a time and one-half rate, either in the form of pay or compensatory time off. Compensatory time off is subject to the rules below (OVT or CPE).

- a. Part time employees receive overtime pay at the rate of time and one-half for the overtime work performed for hours worked over 40 hours per workweek (OVT). Compensatory time off does not apply to part time employees.
2. The rate used to determine the time and one-half FLSA rate will be calculated to include [temporary pay](#), [reward and recognition pay](#), [premium pay](#), or other pay that the employee received during the workweek.

Compensation for overtime work for Non-Exempt PAU staff

1. Non-Exempt PAU staff employees must receive overtime compensation for hours worked over 40 in a workweek.
2. Overtime compensation for Non-Exempt PAU staff employees utilizing exchange hours.
 - a. The overtime compensation shall be at a rate equal to half-time (0.50) the rate for the work performed (OVS) plus additional exchange hours earned (EHE) equal to the time worked over 40 during the workweek. The half-time compensation must be in the form of pay.
3. Overtime compensation for Non-Exempt PAU staff employees utilizing actual time worked.
 - a. The overtime compensation shall be at the rate of time and one-half for the work performed for hours worked over 40 hours per workweek (OVT).
4. Compensatory time-off does not apply to Non-Exempt PAU staff.
5. The rate used to determine the time and one-half FLSA rate will be calculated to include [temporary pay](#), [reward and recognition pay](#), [premium pay](#), or other pay that the employee received during the workweek.
6. Additional options for compensating Non-Exempt PAU staff who work over their standard weekly hours but less than 40 hours are available in the [PAU policy](#).

Rules related to compensatory time off for Non-Exempt (excluding PAU) staff (Compensatory time off does not apply to Non-Exempt PAU staff and part time employees)

1. It is management's choice as to which form of overtime pay is used, and the decision should be communicated to the employee before the overtime is worked.
2. Non-Exempt (excluding PAO and PAU) staff employees should not accumulate more than 80 hours of compensatory time.
3. Staff classified as Non-Exempt PAO staff should not accumulate more than 160 hours of compensatory time.
4. The campus human resources office may approve higher accumulations up to the FLSA limit of 240 hours for unusual circumstances in the university's best interest.
5. Indiana University Human Resources may approve accumulations up to the FLSA limit of 480 hours for law enforcement, fire protection, emergency response personnel, and employees engaged in seasonal activities.
6. Unless a campus has established a different procedure when the maximum accumulation has been reached, payment at a pay rate equal to one and one-half (1.5) the regular rate for the work performed is the only option until the accumulated compensatory time drops below the limit.
 - a. For Non-Exempt staff (excluding PAO and PAU), all compensatory time off accumulated by an employee over 80 hours on November 1st will be paid (CMP) in the first pay period following November 1st. At this time, employees may choose to be paid for any accumulated compensatory time between 40 and 80 hours (CMP).
7. Accumulated compensatory time off may be taken whenever mutually agreeable with the employee and the supervisor. See the [Family and Medical Leave Act \(FMLA\) Rights policy](#) for the provisions related to the use of compensatory time during an FMLA covered absence.
8. A unit may convert accumulated compensatory time to pay at any time.
9. When an employee promotes, demotes, or transfers to another unit or a position in the same unit not eligible for overtime compensation, any accumulated compensatory time must be granted as time off or pay before the move.

10. Employees are paid any unused accruals of compensatory time when they separate from the university, either voluntary or involuntarily.

Finishing up at the end of a workday for Non-Exempt staff (excluding PAU) and part time employees

1. At the end of a workday, employees occasionally need less than 15 minutes to complete their duties. Employees may be compensated for this time by allowing them to arrive at work late or leave work early on another day of the same workweek. The late arrival or early departure time must not exceed the time it takes to finish.
2. When finishing up results in more than 40 hours being worked, the excess is recorded as overtime at the end of the workweek.

Secondary employment for Non-Exempt staff and part time employees

1. A full or part-time Non-Exempt staff employee may be employed as a part time employee in another unit, or a part time employee may have multiple part time jobs.
2. When an employee has more than one job, the overtime compensation will be based on the total hours worked in all jobs and a weighted average calculation for each workweek. This calculation uses the rates of all jobs for which work time was recorded during the workweek.
3. For staff employees with part time jobs, overtime will be applied to the time worked in the part time job first. Overtime will only be applied to the staff job when the time worked in the staff job exceeds 40 hours in the workweek.
4. For part time employees with multiple part time jobs, overtime will be applied to the job or jobs worked after exceeding 40 work hours in the workweek.

Overtime for supervisory staff

1. Supervisory staff should not work overtime or assign themselves overtime unless they are scheduled to supervise employees working overtime. If sufficient Non-Exempt staff (excluding PAO and PAU) are not available, a general supervisory staff member may be scheduled to perform the required work.

Unit and employee responsibilities

1. Units are responsible for:
 - a. Maintaining records of overtime worked and compensatory time earned and used.
 - b. Accurately reporting overtime worked and compensatory time earned and used on the university timekeeping system.
2. Employees are responsible for:
 - a. Obtaining supervisory authorization before working any overtime.
 - b. Recording actual time worked under the [Work Schedules and Hours for Non-Exempt Employees](#) and [Recording and Reviewing Time Worked by Non-Exempt Employees](#) policies.

Definitions

1. The university's *workweek* is defined as beginning and ending at 12:00 midnight on Saturday.
2. *Overtime* is defined as hours worked more than 40 hours in a workweek.

Sanctions

Managers, supervisors, and employees who violate this policy are subject to disciplinary action, up to and including termination.

Additional Contacts

Campus HR offices

Various

History

The Fair Labor Standards Act (FLSA) was originally passed in 1938 and has been amended numerous times since then. In addition to regulations on overtime pay, the FLSA establishes minimum wage, recordkeeping, and child labor standards affecting full-time and part-time workers in the private sector and in Federal, State, and local governments.

June 2022

Updated "temporary" employee nomenclature to "part time".

December 2021

IU HR completed a full and substantive review to assess the ongoing need and effectiveness.

July 2021

Updates made to AFSCME Service procedures based on union discussions.

February 2021

Updated the staff employee group terms and the excess comp time payout date for Non-Exempt Non-Union Service staff due to Job Framework Redesign Project.

July 2019

Updates made to CWA procedures based on union discussions.

January 2018

Updated to correct an error created by the HR policies project.

November 2017

Updated to remove PAS salary plan

December 2016

Revised to add PAS salary plan

February 2016

Replaced the following policies:

AFSCME Police	Overtime Pay for Staff and Temporary Employees
AFSCME Service	6.2 - Overtime Pay for Staff and Temporary Employees
CWA	5.3 - Overtime Pay for Staff and Temporary Employees
Professional and Support/Service Staff not covered by a union	4.4 - Overtime Pay for Staff and Temporary Employees
Temporary	4.2 - Overtime Pay for Staff and Temporary Employees

Replaced parts of the following policies:

CWA	Professional Staff and Support and Service Staff not Covered by a Union
10.2 Rules and Guidelines for Filling Positions <ul style="list-style-type: none"> F.1 	3.2 Filling Positions <ul style="list-style-type: none"> G.1.a. G.1.b.

Related Information

[Fair Labor Standards Act \(FLSA\)](#)
[Family and Medical Leave Act \(FMLA\) Rights policy](#)
[Work Schedules and Hours for Non-Exempt Employees](#)
[Alternative Work Schedules](#)
[Examples of Overtime Calculations](#)