



## Overtime Compensation for Hourly Employees Policy

### PURPOSE

Grand Traverse County follows the Fair Labor Standards Act (FLSA) when determining whether an employee is exempt or non-exempt for purposes of paying overtime for time worked in excess of 40 hours in a workweek. Positions that do not meet the exempt test standard are classified as non-exempt. Non-exempt (hourly) employees will be paid at the rate of one and one-half times normal hourly rate for all hours worked in excess of 40 hours in any one workweek.

### POLICY & PROCEDURE

All work performed which is in excess of forty (40) hours in any one workweek shall be compensated at the rate of time and one-half (1 1/2) of the employee's regular hourly rate, excluding all forms of premium pay, for those employees who are covered by the Fair Labor Standards Act.

All overtime worked shall be paid by overtime pay unless otherwise mutually agreed between the employee and the department head in writing prior to working the overtime and if approved by your department head shall be granted as compensatory time at one and one-half times the number of overtime hours worked if the work performed is in excess of 40 hours in any one workweek.

Compensatory time shall have a maximum accumulation of 40 hours after which payment shall be in wages. When overtime is recorded as compensatory time, it may be used as needed by the employee and as approved by the department head. The employer may choose to pay out compensatory banks, or any portion thereof, at any time.

Overtime benefits may differ for employees who are members of recognized unions, organizations, or associations. Department policies on compensatory time may also differ if the department head determines there is a reasonable business reason for doing so, if approved by the Director of Human Resources and provided in writing to employees.

**Unauthorized overtime work is strictly prohibited.** It is the employee's duty to ensure that his/her supervisor approves any overtime work in advance and that the overtime is recorded accurately.

Please note that holidays, sick days, vacation time and personal days are not counted when calculating whether a non-exempt employee has worked more than 40 hours in a workweek.

Grand Traverse County employees are strictly prohibited from altering pay records or taking any other action that deprives a non-exempt employee of compensation for hours worked. If you have reason to believe that you or any other non-exempt employee has not been compensated for all hours worked at the appropriate rate of pay, you should immediately report your concern to Human Resources.

### Definitions

**Compensable Time** is also called work time. An employer must document a nonexempt employee's work time. In addition to regularly scheduled hours, work time can include overtime, certain types of travel time, training time, and shift preparation/transition time.

**Exempt** employees are paid an agreed amount for the whole job, regardless of the amount of time or effort required to complete the work, and do not record hours of work on the time record.

**Nonexempt** employees are paid for each hour worked, and record each hour worked on the time record. If the employee works more than 40 hours in one workweek, the employee is paid a premium of time and one-half, which is also referred to as **overtime compensation**.

**Overtime** is time worked by nonexempt employees that exceeds the employee's normally scheduled workweek. For full-time and part-time employees, overtime is time worked over 40 hours in a workweek.

Note: This policy may differ for those employees who are members of recognized unions, organizations, or associations. Any questions related to the content of this policy, or its interpretation, should be directed to Human Resources.

Approved Policy 4/92, Amended 6/94, 7/99, 6/03, 7/2018, 7/2019