HR HUMAN RESOURCES JAMES MADISON UNIVERSITY.

JMU Overtime Guidelines for Supervisors

The provisions of the Fair Labor Standards Act (FLSA) cover all JMU employees. FLSA establishes rules for minimum wage, overtime pay, equal pay, child labor and recordkeeping; and, it defines exemptions from overtime pay regulations. Please refer to <u>JMU Policy 1303</u> for more information regarding overtime and compensatory leave.

Definitions:

Exempt Employee: An employee who is not eligible to receive overtime pay in accordance with the provisions of the FLSA; and, therefore, is exempt from the overtime provisions of the FLSA.

Non-Exempt Employee: An employee who must be paid at a rate of one and one-half times his/her regular rate of pay for hours worked in excess of 40 in a workweek; and, therefore, is not exempt from the overtime provisions of the FLSA.

Overtime Pay: Pay for actual work beyond 40 hours per week at one and one-half times the employee's regular hourly rate for non-exempt employees. The use of leave during a workweek where total hours exceed 40 is not considered overtime pay. Actual working hours must exceed 40.

Overtime Leave: Leave for actual work beyond 40 hours per week at 1.5 hours for each hour worked in excess of 40 during a work week. Maximum accrual balance: currently 60 overtime leave hours (expected to increase to 120 hours in response to the new FLSA changes).

Straight Time: Hour for hour pay or leave when a non-exempt employee works less than 40 hours in a work week.

Work Time: Any hours an employer allows, has knowledge of, or should have had knowledge of an employee working on or off the job site.

Work Week: Seven consecutive 24 hour periods as defined by FLSA. At JMU the workweek begins at 12:01 a.m. Sunday and ends at midnight the following Saturday; except for those employees whose workweek is designated differently.

Employee Type	Pay Band	FLSA status	
Classified	1 and 2	Non-exempt	
Classified	3 and 4	Non-exempt, unless the position meets the requirements of any of the FLSA exemption tests applied by HR	
Classified	5	Generally exempt unless the salary level is below the threshold*	
A&P Faculty	N/A	Generally exempt unless the salary level is below the threshold*	
Hourly Wage (1500 hour)	N/A	Non-exempt, unless the position meets the requirements of the computer exemption test applied by HR	
Instructional Faculty	N/A	Exempt under the professional exemption for teachers	

Who is eligible for overtime pay?

This chart identifies which employment types are exempt or non-exempt from overtime pay.

***The FLSA Salary Level Test:** Employees making less than \$47,476 (\$913/wk.) are considered "non-exempt" and eligible for overtime unless they meet the professional exemption for teaching or academic administrators.

Non-exempt employees

- Non-exempt employees must be paid one and one-half times their regular rate of pay for all hours worked in excess of 40 in a work week (from 12:01 a.m. Sunday through midnight on the following Saturday). Non-exempt law enforcement employees are paid one and one-half times their regular rate of pay for all hours worked in excess of 80 in a two week period. Leave time and holidays do not count as time worked.
- An employee must receive authorization from their supervisor to work additional hours employees may not independently approve or authorize their own additional hours. The supervisor or timekeeper must submit a <u>Record of Overtime form</u> to Payroll for any non-exempt employee that works overtime hours.
- The university **prohibits** tracking employee time "off the record." Employees must enter the exact number of hours worked on their electronic timesheet.
- Although the employee is required to get supervisor approval for overtime in advance, any
 verifiable hours worked beyond 40 must be paid at one and one-half times the regular rate of pay.
- A department may elect to offer overtime leave to a non-exempt employee at a rate of 1.5 hours for every hour worked over 40. <u>JMU Policy 1303</u> outlines the procedures and requirements for overtime leave.
- Supervisors may adjust an employee's schedule within a work week to mitigate the accrual of overtime leave or overtime pay.
- Compensatory leave may be accrued if the employee is declared essential and is required to work during authorized university closings (e.g., inclement weather). Details on compensatory leave are found in <u>JMU Policy 1309</u>.
- Classified non-exempt employees who work concurrent jobs at the university may result in payment of overtime. All hours that an employee works in excess of 40 in a workweek, in combination with his/her first (primary) and all secondary jobs, will be paid in accordance with FLSA procedures. See chart below.

First Job (Primary Duty) FLSA Status	Second Job FLSA Status	1 ½ Overtime Payment
Exempt	Exempt	No
Exempt	Non-Exempt	No
Non-Exempt	Exempt	Yes
Non-Exempt	Non-Exempt	Yes

Exempt Employees

Exempt employees are not required to be paid overtime, overtime leave or to be granted compensatory leave for additional hours worked. Managers should limit approval of compensatory leave for exempt employees to the rare instances that require an excessive amount of additional work time or adjust the work schedule.

Accrual Rates and Recordkeeping

- All non-exempt employees must track hours worked to ensure any overtime is accounted for.
- Each non-exempt employee's Overtime Leave balance may not exceed 60 hours (*expected to increase to 120 hours in response to the new FLSA changes*).

- Overtime Leave balances do not expire; the hours are either used by the employee or paid out to the employee upon separation from the university or when the employee transfers to an exempt position.
- When the employee reaches the maximum accrual, all other overtime hours must be paid at one and one-half times the regular rate until Overtime Leave balances fall below the maximum.

For additional questions, please contact your <u>HR Consultant</u> or <u>Payroll</u>.