

Eligibility For Overtime Compensation Under The FLSA

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1.0 POLICY

Under the overtime provisions of the Fair Labor Standards Act (FLSA), non-exempt covered employees must receive extra compensation for overtime hours worked. Eligibility for overtime compensation will be determined as outlined below.

2.0 PURPOSE

The purpose of this policy is to ensure employees are aware that the Town of Carolina Beach complies with the overtime provisions of the Fair Labor Standards Act (FLSA) as applicable to non-exempt employees and considers the provisions to be minimum requirements.

3.0 SCOPE

Non-Exempt employees are eligible for the overtime provisions of this policy. FLSA exempt employees are not eligible for premium/overtime pay, including any compensation calculated at one and one-half times their regular rate of pay.

4.0 DEFINITIONS

- 4.1 **FLSA** - The Fair Labor Standards Act (FLSA) is a Federal law establishing the minimum wage rate, overtime pay, recordkeeping requirements, prohibiting gender-based wage discrimination between men and women performing the same work, and child labor standards affecting full time and part-time workers in the private sector and in Federal, State, and local governments.
- 4.2 **Exempt Status** - Employees who are exempt from the minimum wage, overtime, and record-keeping requirements of the FLSA.
- 4.3 **Non-Exempt Employee** - An employee who is subject to the minimum wage, overtime and record-keeping provisions of the Fair Labor Standards Act (FLSA).
- 4.4 **Overtime** - All hours worked in excess of 40 work hours in a workweek or for sworn Police 84 hours in a 14-day period and Fire personnel 212 hours in a 28-day period; or proportional amount in a lesser number of days.
- 4.5 **Work Week** - A regular work week is a fixed and regularly recurring period of 168 hours -- seven consecutive 24-hour periods designated as the official work week for each employee. Unless otherwise designated, this period will be from 12:01 am Monday through 12:00 am (midnight) Sunday.

- 4.6 **FLSA Compensatory Time** - Time off at a rate of not less than one and one-half hours for each overtime hour worked, instead of cash overtime pay.

5.0 ORGANIZATIONAL RULES

- 5.1 Employees designated as Non-Exempt (i.e., subject to the FLSA) will be compensated for all overtime hours at one and one half (1½) times the applicable hourly rate or will accumulate compensatory time at one and one-half (1½) hours for each hour worked over 40 in a workweek. **See Policy on Adjusting, Controlling, and Compensating for Overtime Under The FLSA.**
- 5.2 Employees designated as Exempt are not eligible to earn or use compensatory time. However, when an Exempt employee has worked a considerable number of hours over and beyond the regular and expected hours in their work week, the employee's Department Director may authorize the employee time off with pay. The time off should not be an hour off for each hour worked beyond 40 hours in a work week. Regular and expected work hours for Exempt employees are usually more than 40 hours per week.
- 5.3 The FLSA exempts five categories of employees from the minimum wage and overtime provisions defined as Executive, Administrative, Professional, Computer Employees, and those in Outside Sales. These exemptions are primarily based on the nature of duties and responsibilities performed by the employee. The Human Resources Department is responsible for determining Exempt and Non-Exempt classification of the employee based on job information provided by the department. Regardless of duties and responsibilities, all hourly paid employees are Non-Exempt.
- 5.4 Requests for reviewing the FLSA classification of individual employees should be forwarded by memorandum from the Department Director to the Human Resources Department.
- 5.5 Department Directors are responsible for ensuring that the provisions of this policy are applied on a fair and equitable basis among all employees in accordance with these rules and procedures.

6.0 PROCEDURES

- 6.1 Every day the non-exempt employee will complete his timesheet accurately recording time worked to the nearest one-quarter hour. Hours not worked will also be recorded and will be coded with the appropriate leave code. If the employee is not sure how to record time, he should ask his supervisor. Prior to giving the timesheet to his supervisor at the end of each payroll period, the employee must sign the timesheet indicating the time recorded is accurate. The employee also must complete and sign a Leave Request Form for any overtime earned.
- 6.2 The supervisor will review the employee's time sheet and at the end of the payroll period sign the timesheet. Signing the timesheet is an indication the supervisor agrees with the time as recorded by the employee and is an authorization to pay the employee according to recorded time. If the supervisor has any questions about the time recorded by the employee, he should discuss this with the employee and reconcile any questions prior to signing the timesheet.

- 6.3 The supervisor will ensure the employee has appropriately completed a Leave Request Form for any time not worked that requires a leave slip as well as any overtime worked.
- 6.4 The supervisor will give the completed and signed timesheet and leave forms to the appropriate departmental employee for submission to Human Resources.

7.0 APPENDIX, APPENDICES

None