

Chancellor's Memorandum
CM-62 – Overtime Policy

To: Vice Chancellors, Deans, Administrative Staff, and Department Heads

From: LSU Health Sciences Center New Orleans Chancellor

January 26, 2017

Purpose

To establish a policy on overtime for Louisiana State University Health Sciences Center – New Orleans (LSUHSC-NO) employees within the requirements of the Fair Labor Standards Act (FLSA), Louisiana State Civil Service rules, and other pertinent laws and regulations.

Definitions

FAIR LABOR STANDARDS ACT (FLSA). The Department of Labor Wage and Hour Division administers the FLSA. The law requires LSUHSC-NO to pay covered employees at least the federal minimum wage and overtime for all hours worked over 40 in a workweek. The University is required to comply with this federal law. For purposes of this policy, covered employees are defined as non-exempt employees.

OVERTIME. A standard workweek for LSUHSC-NO is 40 hours and runs from Monday 12:01a.m. - Sunday midnight. Overtime begins once an employee exceeds 40 hours worked during that workweek. However, only hours actually worked count toward the base 40-hour workweek for overtime computation. This means that for holidays or leave taken in the workweek, the employee will not be eligible for the overtime rate (1.0 or 1.5) until they have actually worked 40 hours. Overtime compensation may or may not be paid for hours worked over 40 hours in a workweek depending on the rules and rates associated with the employees' civil service and/or FLSA classification.

Classified employees exempt from the FLSA earn overtime on an hour-for-hour basis (paid: regular hourly rate times the number of overtime hours). All non-exempt employees covered by FLSA earn overtime at a time and one-half rate (paid: regular hourly rate X 1.5 X the number of overtime hours).

EXEMPT. The term 'exempt' defines the category of employees performing certain types of work for which the federal law requiring payment for overtime work does not apply. Employers are not required to provide any compensation to exempt unclassified employees for overtime. It should be noted however that classified exempt employees are paid overtime on an hour for hour basis pursuant to the Civil Service Rule 21.7 Definition of State Overtime and 21.9 Compensation Rate- Exempt Employees. The Compensation Section of Human Resource Management (HRM) determines the exempt status of jobs according to FLSA guidelines.

NON-EXEMPT. 'Non-exempt' defines the category of employees performing certain types of work for which the federal law requires payment for overtime work. Employers are required to compensate non-exempt employees for overtime at a rate of time and one-half.

I. General Policy

A. Overtime

Staffing should be planned so that most jobs require minimal overtime. Other alternatives should be considered

when significant and recurring overtime is required such as additional temporary help, redistribution of the workload, or postponement of the work. Overtime pay should not be used as a means to provide supplemental pay to an employee. Employees must not be permitted to perform overtime without proper authorization or remuneration. Civil Service rules provide LSUHSC-NO with the authority to require an employee to work overtime. Departments will try to give as much advance notice as possible when overtime is required. All qualified employees within the work area must be given an opportunity for overtime work and each department must administer the policy equitably and in accordance with CM-10. Department heads must comply with FLSA by prohibiting non-exempt employees from working unpaid overtime, even if the employee volunteers to work. Overtime occurs when work is required beyond regular scheduled hours in the 40-hour workweek. Overtime will not be paid at the appropriate overtime rate until the hours actually worked exceed 40 hours during the normal workweek. Holidays and leave taken (paid or unpaid) will not count towards hours worked. Employees must be given appropriate time off during each workday (e.g. lunch time- 30 minutes) to ensure the workweek will not exceed 40 hours per week. The overtime rate will be time and one-half for non-exempt employees and at the regular rate on an hour-for-hour basis for classified, exempt employees.

B. Eligibility for Overtime

Administrative and professional (exempt unclassified) employees are not entitled to earn overtime. It is expected that employees in exempt unclassified positions may be required to work in excess of a 40-hour workweek on a recurring basis. It is the responsibility of the Compensation Section of HRM to determine the FLSA status (i.e. exempt or non-exempt) of all job classes. Employees may inquire about their exemption status with the Compensation Section of HRM if there are any questions or concerns.

C. Paid Overtime

Departments are encouraged to limit the amount of paid overtime earned by an employee to the extent possible. School Chief Financial Officers and Division Heads are responsible for monitoring overtime. Typically, if an employee earns an amount of overtime more than \$5,000 or 30% of base salary, then the department should contact the Compensation Section of HRM about alternatives to overtime. Departments may be asked to provide a written explanation if excessive overtime is taken or earned.

D. Holiday Pay and Overtime

All eligible employees receive payment for up to 14 holidays per fiscal year (see PM-5 on Holidays and PM-20 on Leave). Holiday pay is based on the number of hours in the employee's regular work schedule (e.g. 8 hours of holiday pay is received if the employee regularly works 8 hours per day). Some employees are required to work on a holiday. Non-exempt employees, classified and unclassified, who work on a holiday (or a designated holiday if the holiday falls on their day off) will be paid at their regular rate, in addition to holiday pay. Overtime begins once an employee exceeds 40 hours worked during that workweek. However, only hours actually worked count toward the base 40-hour workweek for overtime computation. This means that for holidays or leave taken in the workweek, the employee will not be eligible for the overtime rate until they have actually worked 40 hours.

Exempt classified employees who work on a holiday (or designated holiday) will be paid their regular rate, hour for hour for hours worked on the holiday, regardless of the number of hours worked that week and, in addition to holiday pay.

E. Overtime in Emergencies

The Chancellor may authorize overtime in emergencies pursuant to Civil Service Rule 21.7 Definition of State

Overtime for classified, non-exempt employees, in addition to their regular pay for any classified, non-exempt employee who works during a national or local emergency, act of God, or other situations of an extraordinary nature which threaten life and property and represent real danger and/or hardship to the employee.

II. Overtime Authorization

Departments are responsible for overtime within budget responsibility. Departments may request paid overtime before the overtime hours are worked, by completing the LSUHSC-NO Overtime Request Form and obtaining approval of the Dean or Division Head or their designee prior to the employee working in excess of a forty-hour work week.

Departments that frequently require non-exempt and exempt classified employees to work overtime, such as University Police, Property and Facilities Management, and Animal Care, must develop written procedures for administering overtime. The department must have the policy approved by HRM. The department must publish the procedures and notify their employees. The procedures should contain the process for how employees are selected for overtime work.

For significant amounts of overtime, lengthy duration of overtime or large number of employees working overtime, the Vice Chancellor of Administration and Finance must approve prior to overtime commencing. After the Overtime Request Form has been approved, a copy should be forwarded to the Compensation Section of HRM.

A. Records

Each employee is responsible for accurately recording total hours worked and leave taken.

B. Department Responsibility

Deans, Administrative Staff, Department Heads, and Supervisors are required to comply with the procedures and requirement of the Overtime Policy. Failure to comply may result in disciplinary actions up to and including termination.

C. Special Cases

In these special cases, consult with the HRM Compensation Section:

- (1) While performing civilian duty during an officially declared national, regional or local emergency.
- (2) While "on call" away from post of duty.
- (3) While attending or traveling to or from conventions, workshops, seminars, training courses, and related activities.
- (4) While performing duty of emergency nature that threatens or affects the peace or property of the LSUHSC-NO employees, students, or general public as determined by the appointing authority.
- (5) While employed on a restricted or contingent appointment or WAE basis working over forty (40) hours in a

particular workweek. Holidays, leave, and other time off are not counted as hours worked.

(6) While appearing before Civil Service Commission pre-trial conference, etc.

(7) While performing work for a different LSUHSC-NO department for additional compensation.

Normally, overtime should not be paid in these situations, but it may be required for non-exempt employees.

Because the rules on overtime are complex, we encourage that questions be directed to the Compensation Section, HRM at (568-8742).

Related policies: see PM-20 (Leave), PM-5 (Holidays), and CM-51 (Hurricane Emergency Procedures).