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## REG - 80.02.2 - COMPENSATORY TIME (OVERTIME) LEAVE POLICY

Authority: Chancellor

Responsible Office: Human Resources

Number: REG - 80.02.2 - COMPENSATORY TIME (OVERTIME) LEAVE POLICY

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Related Policies/Sources: [NC Office of State Human Resources Manual - Compensatory Leave](#), [NC Office of State Human Resources Manual - Sick Leave](#),

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### 1. Purpose

The purpose of this policy is to provide uniform guidelines for the accrual, use, and payment of compensatory time.

### 2. Scope

Full-time and part-time (20 hours or more) SHRA permanent, probationary, trainee and time-limited employees whose positions are subject to the overtime provisions of the Fair Labor Standards Act (FLSA) are eligible for compensatory time. Temporary, intermittent, and part-time (less than half-time) SHRA employees are not eligible for compensatory time, nor are SHRA employees whose positions are not subject to the overtime provisions of the FLSA. EHRA faculty and non-faculty employees are also not eligible for compensatory time.

### 3. Policy

3.1 Compensatory time may be accrued by an SHRA employee subject to the overtime provisions of the FLSA. The following rules govern the accrual, disposition, and required record keeping of compensatory time.

#### 3.1.1 Accrual/Expensing of Compensatory Time for SPA Wage-Hour Subject

## Employees

3.1.1.1 All employees who are designated as wage-hour subject under the FLSA must record all hours worked and must receive extra compensation for hours worked in excess of their regular schedule. It is State and university policy to give time off in lieu of monetary compensation except as required below.

3.1.1.2 Hours worked in excess of the employee's regular schedule fall into two categories: extra hours at straight time (gap hours) and extra hours at time and a half (overtime hours).

### 3.1.2 Gap Hours

3.1.1.2.1 Gap hours are extra hours worked outside of the regular work schedule that do not result in the employee physically working more than 40 hours in the workweek. This is known as gap hours compensatory time.

3.1.1.2.2 Gap hours also occur for permanent FLSA-subject employees whose regular work schedule is less than 40 hours. Extra hours worked during the university workweek that do not reach the 40 hour threshold for overtime would be compensated at straight time (gap hours).

3.1.1.2.3 Gap hours compensatory time may be accrued for a maximum of 12 months or 240 hours. If at any point the gap hours compensatory time balance exceeds 240 hours, the excess must be paid in the next payroll cycle. Also, any gap hour's compensatory time that is not taken within 12 months of the month in which it is earned must be paid.

### 3.1.3 Overtime Hours

3.1.3.1 Overtime hours are hours worked by FLSA-subject employees in excess of 40 in the university designated workweek and must be compensated at time and one half.

3.1.3.2 Overtime compensatory time may be accrued for a maximum of 12 months or 240 hours. If at any point the overtime compensatory time exceeds 240 hours, the excess must be paid in the next available payroll. Also, any overtime compensatory time that is not taken within 12 months of the month in which it is earned must be paid in the next payroll cycle.

3.1.3.3 The hourly rate of pay is obtained by dividing the annual salary by 2080 hours (52x40), prorated if less than full time. The hourly rate used in computing overtime must include all remuneration for employment paid to, or on behalf of, the employee, except payments specifically excluded by the FLSA. Payments that are not excluded and must be included in the hourly rate are: (a) Shift Premium Pay (b) Longevity (c) On-Call Compensation. These payments must be included in order to comply with the provisions of the FLSA. The adjusted overtime rate of pay due to Longevity pay will be made once a year.

3.1.3.4 In order to calculate the overtime rate correctly, overtime shall be paid whenever employees earn shift premium and/or on-call pay in the same pay period as overtime.

3.1.3.5 If compensatory time is earned, the department must elect one of the following options as an operating standard:

#### 3.1.3.5.1 Option 1

3.1.3.5.1.1 Preferably Compensatory time will be taken in the month in which it is earned or the following month. This option promotes careful monitoring of comp time by supervisors. If the department has elected this option then there will be no need to monitor the compensatory time for a period up to 12 months after the compensatory time has been granted.

#### 3.1.3.5.1.2 Option 2

3.1.3.5.2.1 Compensatory time may be accrued for a maximum of 12 months or 240 hours. If at any point that compensatory time exceeds 240 hours, the excess must be paid in the next payroll cycle. Also, any comp time that is not taken within 12 months of the month in which it is earned must be paid. If at any time an employee has built up an exceptional amount of comp time, a department that has elected this option may make an exception to pay all or part of the comp time rather than award time off. Departments may manage comp time by requiring the employee to take the time off.

3.1.3.5.2.2 All unused comp time for wage-hour subject employees must be paid when the employee separates from the university. It must also be paid by the department where the comp time was earned if the employee transfers to another department within the university (unless the receiving department agrees to accept the comp time.)

#### 3.1.4 Use of Compensatory Time

3.1.4.1 Overtime compensatory time and gap hours compensatory time shall be taken before any vacation or bonus leave. Hours worked in excess of the employee's established work schedule must be used to offset sick leave used in the same overtime period. Leave will be restored to the employee's balance for later use (See Sick Leave Policy). All use of compensatory time requires supervisory approval. Overtime compensatory time can be denied to an employee if the compensatory time off will unduly disrupt university operations. Supervisors may also, based on business needs, schedule the use of comp time for employees.

#### 3.1.5 Record Keeping

3.1.5.1 Compensatory leave is requested, recorded, and records are maintained according to University guidelines.

### 4. **Special Provisions for Law Enforcement**

4.1 The term law enforcement activities refers to any employee (1) who is a uniformed or plainclothes member of a body of officers, and subordinates who are empowered by statute or local ordinance to enforce laws designed to maintain public peace and order and to protect both life and property from accidental or willful injury, and to prevent and detect crimes, (2) who has the power of arrest, and (3) who is presently undergoing or has undergone or will undergo on-the-job training and/or a course of instruction. Not included in the

term "employee in law enforcement activities" are the so-called "civilian" employees of law enforcement agencies or correctional institutions that engage in such support activities as those performed by dispatchers.

4.2 Because of the varied nature of law enforcement activities, Wage and Hour Law permits a 28 day work period. NCCU has elected the 28 day work period. The following provisions apply:

4.2.1 The "work period" will consist of 28 consecutive days. In the work period of 28 consecutive days the employee shall receive, four tours of duty, which in the aggregate exceed 171 hours, compensation at a rate of one and one-half times the regular hourly rate at which employed. The regular hourly rate is the rate computed on a 40-hour basis plus shift premium pay, if any.)

4.2.2 Under these provisions, nonexempt persons in law enforcement positions who work more than 171 hours in a 28 consecutive day work period may be given compensatory time off in lieu of cash payment for these overtime hours worked.

4.2.3 Overtime compensatory time off earned must be used no later than 180 days from the date the compensatory time off was earned.

4.2.4 Overtime compensatory time off earned but not used within 180 days from its being earned must be paid for in cash in the first pay period following the expiration of the 180 days.

4.2.5 Employees cannot accumulate more than 480 hours of compensatory time. Any compensatory time earned in excess of 480 hours must be paid in cash as earned.

4.2.5.1 See Section 3.1.2 (Gap Hours) of this policy for provisions on how to compensate for compensatory time hours.