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TITLE: OVERTIME COMPENSATION

POLICY

REFERENCE NUMBER: 8-2-104

DIVISION OF

RESPONSIBILITY: HUMAN RESOURCE SERVICES

DATE OF LAST REVISION: June 8, 2010

DISCLAIMER

PURSUANT TO SECTION 41-1-110 OF THE CODE OF LAWS OF SC, AS AMENDED, THE LANGUAGE USED IN THIS DOCUMENT DOES NOT CREATE AN EMPLOYMENT CONTRACT BETWEEN THE EMPLOYEE AND THE SC STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION / THE SC TECHNICAL COLLEGE SYSTEM. THE STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION/THE SC TECHNICAL COLLEGE SYSTEM RESERVES THE RIGHT TO REVISE THE CONTENT OF THIS DOCUMENT, IN WHOLE OR IN PART. NO PROMISES OR ASSURANCES, WHETHER WRITTEN OR ORAL, WHICH ARE CONTRARY TO OR INCONSISTENT WITH THE TERMS OF THIS PARAGRAPH CREATE ANY CONTRACT OF EMPLOYMENT.

The State Board for Technical and Comprehensive Education (SBTCE) has developed and adopted general guidelines for overtime compensation in accordance with the Fair Labor Standards Act (FLSA) and the rules and regulations of the State Budget and Control Board.

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Each technical college may establish local procedures consistent with the provisions of SBTCE policies and procedures. Such institutional procedures will be subject to review and/or audit by the System Office Human Resource Services to ensure compliance with Federal and State law, policies, and procedures.

The requirements of these procedures apply to all employees of the South Carolina Technical College System (SCTCS) except those employees who may qualify for exemption by meeting all of the pertinent tests relating to duties, responsibilities, and salary as stipulated in requirements of this policy and FLSA for any employee in a bona fide executive, administrative, professional position or eligible because of other applicable exemptions. Such exemptions for college employees shall be determined by the college Human Resource Officer and subject to review and/or audit by the System Office Human Resource Services to ensure compliance with Federal and State law, policies, and procedures. Exemptions for System Office employees shall be determined by the System Office Human Resource Officer with concurrence of the System President. All other employees shall be non-exempt.

PROCEDURAL GUIDELINES

I. OVERTIME DEFINED

Overtime is defined as actual hours worked in excess of forty (40) hours during the established FLSA workweek. The use of overtime should be an exception to an employee's regular work schedule and should only be required on an occasional basis.

- A. The FLSA workweek is a regular recurring period in the form of seven (7) consecutive twenty-four (24) hour periods or 168 consecutive hours, i.e., begins at 12:01 a.m. on Sunday and ends at 12:00 midnight on Saturday. Colleges may determine their own seven (7) consecutive twenty-four (24) hour periods as best suits institutional needs.
- B. The non-exempt employee may be allowed to work in excess of the normal workday and be given time off during the same FLSA workweek on an hour-for-hour basis to avoid working over forty (40) hours in a standard FLSA workweek and thus eliminate the need for overtime payment. This adjustment is not allowed for hours worked between thirty-seven and a half (37.50) and forty (40) hours during any workweek.

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II. BASIS FOR COMPENSATION

Compensation of South Carolina State employees is based on forty (40) hours per week or two thousand eighty (2,080) hours per year. By adoption of this policy, provisions for the forty (40) hour standard workweek are incorporated in each position description as if fully stated therein. All nonexempt employees must be paid not less than the current minimum wage.

- A. At the discretion of the College President (System President for System Office employees), the institutional minimum, normal, full-time workweek may be defined as thirty-seven and one-half (37.5) or forty (40) hours per week.
- B. Additional compensation may not be paid for hours worked between thirty-seven and one-half (37.5) and forty (40) hours per week.

Compensatory time off may not be granted for hours worked between thirty-seven and one half (37.5) and forty (40) hours per week. Any employee may be required to work up to forty (40) hours per week without any additional compensation.

III. APPROVAL AND BUDGETARY CONSTRAINTS

Overtime shall not be authorized unless there is an absolute need to meet a deadline that could not be met during the normal workweek, to overcome productive time lost due to mechanical failure, or to meet the demands of a crisis situation. Any overtime worked is subject to the following conditions:

- A. Overtime worked by any non-exempt employee must have the prior approval of the System Office Human Resource Officer for System Office staff, or the College President or designee at the college.
- B. Overtime costs must be managed within the existing budget.

Overtime pay or compensatory time may not be waived by agreement between the supervisor and the employee.

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IV. COMPENSATORY TIME AND MONETARY PAYMENT

Non-exempt employees who work more than forty (40) hours during the standard FLSA workweek will be compensated by the following methods:

- A. Compensatory time will be granted in lieu of payment at the rate of one and one-half (1-1/2) times (X) the hours worked over forty (40) hours. Except for situations that create severe scheduling problems for the agency, compensatory time will be the method of compensation.
 - 1. Compensatory time accrued must be taken within ninety (90) days of the date earned. If compensation is paid to an employee for accrued compensatory time off, such compensation shall be paid at the regular rate earned by the employee at the time the employee receives such payment.
 - 2. In addition to the ninety (90) day limit, employees will be allowed to accrue only up to two hundred forty (240) hours of compensatory time before any monetary payment is made. Any additional overtime hours worked over the two hundred forty (240) hour threshold will be monetarily compensated at the rate of one and one-half (1-1/2) times (X) the employee's regular rate.
 - 3. Management may require employees to take compensatory time at a time that does not unduly disrupt the operation of the public agency.
- B. Monetary compensation (pay) may be granted the employee when the compensatory time method may create a severe scheduling problem for the agency. Such monetary compensation (pay) will be given only after approval by the System Office Human Resource Officer for System Office staff, or the College President or designee at the college. When monetary compensation pay is granted, it will be paid at the rate of one and one-half (1-1/2) times the employee's regular rate for all hours worked over forty (40) hours.
- C. Regular rate includes all remuneration for employment paid to an employee to include base pay, longevity increases, and/or shift differential. The hourly rate of pay is calculated by dividing the annual salary plus longevity increases by two thousand eighty (2,080) hours and adding on the appropriate shift differential hourly rate.

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D. Holiday Compensatory time will be granted in accordance with Section 19-708.03 of the State Human Resources Regulations and SBTCE Procedure 8-3-108.1 [Holidays].

V. <u>DEFINITION OF HOURS WORKED</u>

Hours worked include all time that an employee is required to be on duty or at the prescribed work place and all time during which an employee is permitted to work. This includes any bona fide work which the employee performs on or away from the premises if the supervisor knows or has reason to believe that the work is being performed. Even if not approved, unauthorized work shall be counted as hours worked if the supervisor could have stopped the work but did not, or if he or she knows or has reason to know of the work performed. Specific items related to hours worked are as follows:

- A. If an employee who is on call is not confined to home or any particular place, but is required only to leave word where he or she may be reached, the hours spent on call are not regarded as working time.
- B. A bona fide meal period (a minimum of 30 minutes uninterrupted) which occurs during the scheduled workday is not hours worked if the employee is completely relieved from duty for the purpose of eating a regular meal.
- C. Rest periods or coffee breaks of short duration are not required, but if given must be counted as hours worked. Short duration is defined as no more than fifteen (15) minutes during the morning and no more than fifteen (15) during the afternoon each work day. Breaks shall not be used to allow an employee to come in late, to leave early, or to extend the lunch period.
- D. Travel time for non-exempt employees may be hours worked under some conditions. Ordinary home to work travel or vice versa is not considered time worked regardless of the day of the week. All time spent traveling on one-day assignments is considered work hours regardless of the day of the week and the time of day it occurs. When away from home (overnight), travel time is considered time worked only when it cuts across the employee's normal working hours. This is applicable on both regular workdays and corresponding hours of non-work days.

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- E. When a non-exempt employee, by reason of official responsibilities, is required to attend lectures, meetings, training programs, etc., such time will be considered work time.
- F. The hours a non-exempt employee works (1) in a different capacity, (2) occasional and sporadic, (3) as extensions of normal work duties and (4) for other state agencies are eligible for overtime compensation based on the total number of hours worked per week for the State of South Carolina.
- G. Employees on any leave status will not be considered as working in computation of total hours worked.

H. Volunteers

Time spent as a volunteer is not included in hours worked. An employee may volunteer services for an agency or a political subdivision of the State, if a) the individual does not receive compensation, paid expenses, benefits, or a nominal fee for services for which the individual volunteered, and b) such services are not the same type of services for which the individual is employed to perform for such public agency. An employee of a public agency which is a state, political subdivision of a state, or an interstate governmental agency may volunteer services for any other state, political subdivision, or interstate governmental agency with which the employing agency has a mutual aid agreement.

VI. <u>**RECORDKEEPING**</u>

Weekly time records shall be kept in accordance with FLSA. These records must record the daily hours worked and the total hours worked during the standard FLSA workweek.

The System Office/College must maintain the following information for nonexempt employees.

- a. Name;
- b. Home address:
- c. Date of birth if under 19 years of age;
- d. Gender and occupation;
- e. Employee workweek, including time of day and day of week on which the employee's workweek begins;

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- f. Regular hourly rate of pay for any week when overtime is worked and overtime pay is due:
- g. Hours worked each workday and total hours worked each week;
- h. Total daily or weekly straight-time wages for all hours worked;
- i. Total overtime excess compensation for the workweek;
- j. Total additions or deductions from wages each pay period;
- k. Total wages paid each pay period;
- 1. Date of payment and pay period covered; (29 CFR 516.2)
- m. The number of hours of compensatory time earned each workweek, or other applicable work period, by each employee at the rate of 1 1/2 hours for each overtime hour worked;
- n. The number of hours of such compensatory time used each workweek or other applicable work period by each employee; and
- o. The number of hours of compensatory time compensated in cash, the total amount paid, and the date of such payment. (29 CFR 553.50)