



TEEX 31.01.09.N0.01 Overtime

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Summary

Texas A&M Engineering Extension Service – Payroll Office provides these guidelines for adhering to state and federal laws governing overtime eligibility and compensation.

This SAP addresses policies for adhering to Overtime as an exempt and non-exempt employee based on the Fair Labor Standards Act.

Definitions

Exempt employee: Those who are exempt from federal overtime laws. Exempt employees are not compensated for federal overtime and may be compensated for state overtime only in a limited number of circumstances. Exempt employees are eligible to work more than 40 hours with a supervisor's permission.

Non-Exempt employee: Those not exempt from federal overtime law. Non-exempt employees are eligible to be compensated for federal and state overtime. Non-exempt employees are required to submit timesheets documenting physical hours worked and must obtain permission prior to working overtime.

Requirements

1. General:

All employees of TEEX are covered by the Fair Labor Standards Act (FLSA), although certain classes of employees are exempt from overtime. An employee's rights under the FLSA may not be waived. No employee may agree, even voluntarily, to work in violation of the FLSA. Each employee's overtime pay and minimum wage coverage under the FLSA (exempt, nonexempt) must be determined on an individual basis in accordance with the terms of federal regulations. Currently, TEEX does not participate in compensatory banking of time worked.

Under the Fair Labor Standards Act (FLSA), a federal statute, an employee who is **nonexempt** must be compensated with either time off or pay for working more than 40 hours in a workweek. The workweek begins on Sunday and extends through the following Saturday. Exempt and nonexempt employees who work at the request of the supervisor on a holiday are allowed to take equivalent time off.

Permission to work overtime must be granted by the supervisor prior to any overtime being worked. Supervisors are responsible for monitoring the number of hours nonexempt employees work and may adjust the employee's work hours during the workweek to avoid overtime. Requests to work overtime must be job related, must be approved in advance by the immediate supervisor, and must be documented prior to use by each division's own internal process, with the understanding that Overtime spots checks will be administered. Job related overtime justification may include peak workload requirements or unexpected work conditions that require the employee to work more than 40 hours per week. For the purpose of assessing overtime liability under FLSA requirements, vacation, holidays, sick leave, or other official leaves of absence are not counted as hours worked. Work on a Saturday, Sunday, or holiday does not entitle nonexempt employees to overtime credit under FLSA unless total hours for the workweek exceed 40 hours.

1.1 Federal and State Overtime

1.1.1 Federal Overtime is calculated at one and one-half times the regular rate of pay when an employee has an excess of 40 hours physically worked each workweek (Sunday through Saturday). Each workweek stands alone.

1.1.2 State Overtime is calculated at a regular rate of straight time pay when an employee has not worked more than 40 hours in a workweek, but the combination of hours worked, paid leave and paid holidays exceed 40 hours (Sunday through Saturday). Each workweek stands alone.

2. Exempt Employees

Occasionally, an exempt employee may need to work more than 40 hours a week to accomplish job requirements. When these circumstances arise, such employees may, at the discretion of the Division Director or designee, be granted equivalency of time off in accordance with state law. The key provisions of state law are: the number of hours of time off/time awarded cannot be more than the total number of hours above 40 hours. The number of hours worked includes physical hours worked plus holiday and paid leave hours. If an exempt employee works beyond 40 hours in a workweek, the employee and designee must document the award and how the compensatory will be used.

3. Flex-schedules and dual-titled employees

3.1 If an employee is on a flex-schedule, the calculations will still occur the same. During an early release or a Holiday, employees will need to revert back to 8-hour work days to satisfy the 40-hour workweek.

3.2 When a nonexempt employee works in two or more system positions, or multiple TEEX titles, the hours in the separate positions are combined for overtime purposes in one timesheet in Workday. The overtime rate of nonexempt employees who work at two or more jobs in the same workweek is one and one-half the regular rate applicable to the job on which the overtime is worked or a weighted average of the rates of the two or more jobs. A written agreement on how overtime is calculated must be developed in advance and signed by the employee and employers (Dual Employment form must be on file with TEEX HRO).

4. Responsibilities of the Employee

Before working the Overtime, please complete the electronic request for “Request to work Overtime” in Workday. This will route to your supervisor in Workday.

Quality Assurance Measures

An official review of Overtime will be administered by the Financial Services Payroll team quarterly through the electronic “request to work overtime” in Workday.

Related Statutes, Policies, or Requirements

[System Policy 31.01.01, *Compensation Administration*](#)

[System Regulation 31.01.09, *Overtime*](#)

Office of Responsibility

Financial Services - Payroll

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