

Classification and Compensation: Compensatory Time for Exempt Classified Employees

Subject:	Human Resources
Policy:	Compensatory Time for Exempt Classified Employees
Effective Date:	January 2021
Review Date:	Three (3) years from Effective Date above
Responsible Party:	Human Resources
Applicability:	Classified employees in positions exempt from overtime

1. INTRODUCTION AND PURPOSE

This policy sets forth the requirements for the accrual and use of compensatory time by classified employees in positions exempt from overtime under the *Fair Labor Standards Act* (FLSA) and *Montana's Wage and Hour Laws*. This policy does not apply to contract employees. Collective Bargaining Agreement provisions will take precedence over this policy for employees covered by such agreements.

2. CLASSIFIED EXEMPT COMPENSATORY TIME ALLOWED

Human Resources determines those positions which are exempt from overtime under the FLSA and state law. Neither federal nor state law require the accrual and use of compensatory time by employees in exempt positions. This policy will allow classified employees in positions designated as exempt to accrue compensatory time, if necessary to meet the business needs of the university, and only as set forth in this policy.

Exempt compensatory time does not provide compensation in addition to the employee's annual salary. Rather, it is a means of providing greater flexibility in scheduling time for exempt employees. Accrued time may be taken as paid time off at a later date if approved by the appropriate supervisor. Nothing in this policy guarantees any employee in an exempt position will be allowed to work hours resulting in the accrual or use of exempt compensatory time.

3. REQUIREMENTS FOR ACCRUAL AND USE

- a. Classified employees in exempt positions may accrue one hour of exempt compensatory time for each hour in a pay status over 40 hours in a workweek. The employee will report the hours on the employee's official time record, or the time will be forfeited.
- b. The employee must obtain approval from their direct supervisor to work hours which may result in the accrual of exempt compensatory time. The supervisor may approve or deny the accrual of exempt compensatory time before or after the employee works the excess hours.
- c. Accrued exempt compensatory time may be taken off by the employee on a date mutually agreed upon by the employee and their supervisor during the employee's regular work schedule. If a mutually agreeable date cannot be identified, a supervisor may require an exempt employee to take accrued exempt compensatory time off during any workweek.
- d. A supervisor may choose to adjust the schedule of an exempt employee within a workweek to avoid the accrual of compensatory time.
- e. The maximum accrual of exempt compensatory time for any classified employee is 40 hours. Any hours recorded above 40 hours will not be accepted as accrued compensatory time. Units may request an exception to the 40-hour accrual limit if the unit has business related need and extraordinary circumstances in which exempt employees are required to work a significant number of hours in excess of their regular work schedules for a prolonged period of time to meet specific project deadlines or outcomes. Requests for exceptions should be addressed *in advance* to the Human Resources Director with a detailed explanation of the circumstances which would justify an exception to the 40-hour limit.
- f. Exempt compensatory time may be transferred with the employee to another university department provided the new department agrees. A department is not obligated to accept any exempt compensatory time when an employee transfers. The department, at its discretion, may agree to accept some or all accrued exempt compensatory time.
- g. There shall be no lump sum cash compensation for accrued compensatory at any time.
- h. Accrued exempt compensatory time may not be used to extend an employee's termination date.