

Subject: Overtime Compensation

Date: March 15, 2011

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Replaces Procedure Dated: N/A

POLICY: It is the policy of Pinal County to provide overtime compensation to the non-exempt employees when they work in excess of 40 hours in a workweek. However, In accordance with 29 C.F.R. §553.23, Elected Officials and Department Directors may elect to provide compensatory time accrual in lieu of overtime payments when it is found to be in the best interests of the Office or Department. Payment of overtime compensation on a given occasion shall not affect the subsequent granting of compensatory time in lieu of overtime compensation.

SCOPE: This policy applies to all employees covered under the Fair Labor Standards Act.

OVERTIME COMPENSATION: It is the responsibility of managers to limit overtime scheduling to mission essential activities that cannot be performed at any other later date or during the normal work day. Please refer to Policy 4.9 for further guidance on overtime management.

1. **Non-exempt:** Overtime is only paid for "hours worked". Sick time, vacation time, holiday time, jury duty, military leave, etc., are not counted toward "hours worked" during a workweek.

Although, employees are to work overtime only when authorized all overtime worked, even when not authorized, must be paid. Overtime shall be allocated as evenly as possible among all employees qualified to do the work. While preference may be given to those employees who wish to volunteer for the work, all employees are required to work overtime when requested to do so. Overtime/Compensatory time will be recorded on the employee's time sheet in increments of 15 minutes. If an employee has worked at least 7 minutes of a 15 minute period the full 15 minutes is to be recorded, if the employee has worked less than 7 minutes in a 15 minute period no time should be reported.

While payment of overtime at the end of the pay period in which it is earned is preferred, it is recognized that there are times when the accrual of compensatory time in lieu of paid overtime is beneficial and contributes to the prudent fiscal management of the County.

At the time of employment all non-exempt employees will be required to consent to the payment of earned overtime in the form of compensatory time or paid overtime in accordance with County policy.. Such consent is a condition of employment and will be documented by the completion of a Compensatory Time Off Agreement (Attachment A).

When an employee is required to accrue compensatory time, such accrual will be at the rate of 1.5 times the time worked. Pinal County reserves the right to direct the usage of compensatory time when employee accruals approach 80 hours.

Compensatory Time Accrual Caps: By statute, employees may accrue up to 240 hours of compensatory time and those who work in a public safety activity may accumulate up to 480 hours of comp time. Pinal County, AZ hereby establishes our current maximum accrual of compensatory time at 80 hours. Once an employee reaches that County limit, all additional overtime worked will be paid at time and one-half. Pinal County may revisit this limit based upon operational necessity at some later date.

Public Safety: includes personnel engaged in law enforcement related activities. The statutory 480-hour accrual limit does *not* apply to office personnel or other civilian employees who perform public safety activities in emergency situations, even if they spend substantially all of their time in a particular week on public safety activities.

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Employees who transfer from a Public Safety classification to a position subject to the statutory 240-hour limit may carry over to the new position any accrued compensatory time. The employee, however, must be compensated in cash wages for any subsequent overtime hours worked until the number of accrued hours of compensatory time falls below the statutory 240-hour limit.

Use of Compensatory Time: An employee who has accrued compensatory time and requests use of the time must be permitted to use the time off within a "reasonable period" after making the request if it does not "unduly disrupt" the operations of the agency.

Compensatory Time Cash Out: An employee who transfers from one County department to another shall retain any accumulated compensatory time.

An employee, who changes from non-exempt to exempt status, shall have their accumulated compensatory time balance cashed out at the time of the promotion. The compensatory time will be cashed out at the pay rate the employee earned immediately prior to the promotion.

In the event an employee, who is carrying a compensatory time balance, is scheduled for promotion, the compensatory time balance will be cashed out before any promotional increase is awarded.

Employees who resign, or are terminated, will be paid the value of their compensatory time, at their current hourly rate at the time of termination.

Exempt: Exempt employees are paid on a salary basis. Situations in which exempt employees are required to work more than forty hours shall not result in compensatory time or additional compensation.

Resolution No: 062905-OTM

Resolution of the Pinal County Board of Supervisors amending Resolution No. 20493-CT, dated February 4, 1993, relating to compensatory time and payment for compensatory time for certain Pinal County Employees.

WHEREAS, the Federal Fair Labor Standards Act, as amended, is applicable to county employees commencing April 15, 1986; and

WHEREAS, pursuant to 29 U.S.C. §207 (o), counties are employers entitled to provide compensatory time to employees in lieu of overtime compensation; and

WHEREAS, non-exempt public safety employees as defined under 29 C.F.R. §553.211 may accrue not more than four hundred eighty (480) hours of compensatory time and other non-exempt employees may accrue not more than two hundred forty (240) hours of compensatory time at a rate of one and one-half hours for each hour of employment for which overtime compensation would otherwise be required; and

WHEREAS, the provision of paid overtime compensation to the non-exempt employees of Pinal County in lieu of compensatory time compensation is found to be in the best interests of Pinal County and its employees in most cases; and

WHEREAS, 29 C.F.R. §553.23 provides that agreements or understandings may provide for any combination of compensatory time off and overtime payment in cash so long as the principle of at least "time and one-half" is maintained; and

WHEREAS, the payment of overtime compensation and the accrual of compensatory time to the non-exempt employees of Pinal County appears to be in the best interests of Pinal County and it's employees.

BE IT THEREFORE RESOLVED that the Pinal County Board of Supervisors hereby amends Resolution No. 20493-CT and declares that, effective immediately, its policy shall be to provide paid overtime compensation to the non-exempt employees of Pinal County. However, in accordance with 29 C.F.R. §553.23, Elected Officials and Department Directors may elect to provide compensatory time accrual in lieu of overtime payments when it is found to be in the best interests of the Office or Department and when such accrued compensatory time can be used within the fiscal quarter that it is earned. Payment of overtime compensation on a given occasion shall not affect the subsequent granting of compensatory time in lieu of overtime compensation.

PASSED & ADOPTED THE DAY OF June 29, 2005



COMPENSATORY TIME OFF AGREEMENT

In accordance with the Fair Labor Standards Act (FLSA), Pinal County has resolved to provide overtime compensation for hours worked in excess of 40 hours a week, or other permissible work schedules for law enforcement, firefighting, emergency management, seasonal and other employees. However, I understand that my Appointing Authority and/or Department Director may elect to offer me compensatory time in lieu of overtime compensation when it is found to be in the best interest of my Office/Department. I understand that the compensatory time will be granted at time and one-half for all hours worked in excess of 40 hours per week or other permissible work schedules. I further understand that the compensatory time may be limited, preserved, used or cashed out consistent with the provisions of that Resolution, County policies and applicable law and regulations of the U.S. Department of Labor.

I knowingly agree to the provision of time off as compensation for overtime work when offered as a condition of my employment and consent to the use of compensatory time in accordance with the policy. I further understand that in the event any portion of the policy is interpreted to conflict with the FLSA or its regulations that the conflicting portion shall be struck and the remainder of the policy shall continue in full force and effect.

Employee Signature _____

Date _____