



Policy Chapter: Chapter 5 Human Resources

Policy Number and Title: 05.062 Compensatory Time and Overtime

I. Policy Statement

The University of North Texas (University) ensures that staff employees are granted compensatory time or paid for overtime worked in accordance with the Fair Labor Standards Act (FLSA) and the Texas Government Code.

II. Application of Policy

Eligible staff employees

III. Policy Definitions

A. *Compensatory Time*

“Compensatory Time,” in this policy, means paid time off from work granted because of overtime worked.

B. *Exempt Employees*

“Exempt Employees,” in this policy, means staff employees who meet the FLSA criteria for exemption from the overtime provisions of the FLSA.

C. *Federal Overtime/Compensatory Time at One and One-half (At 1.5)*

“Federal Overtime at 1.5,” in this policy, means time actually worked within the workweek that exceeds forty (40) hours. Any paid leave or holidays taken are not counted as hours worked in determining overtime at 1.5.

D. *Full-time Employee*

“Full-time Employee,” in this policy, means an individual employed in a staff position who is required to work not less than 40 hours per workweek.

E. *Hours Worked*

“Hours Worked,” in this policy, means all time spent by a staff employee that is primarily for the benefit of the University and that is controlled or directed by the University is considered hours worked. Such time includes required "on duty" time; time which an employee is permitted to work, even if not requested or required; waiting or "idle" time (rest periods, etc.); time spent traveling on official business; time spent in training directed or approved by the supervisor; time spent adjusting grievances; and, time in an on-call status where the staff employee is restricted to home and the on-call conditions are so restrictive that they cannot pursue personal activities.

F. *Lapsing*

“Lapsing,” in this policy, means the forfeiture of Overtime at 1.0 if unused by the expiration date.

G. *Non-exempt Employees*

“Non-exempt Employees,” in this policy, means staff employees who do not meet the FLSA criteria for exemption and are covered by the overtime provision of the FLSA.

H. *Occasional or Sporadic Employment*

“Occasional or Sporadic Employment,” in this policy, means part-time work for the university in a different capacity than the employee’s regular employment that is infrequent, irregular, or occurring in scattered instances, which may include , but is not limited to, officiating at recreational and sports events, selling or taking tickets, food and beverage sales at special events, etc.

I. *Part-time Employee*

“Part-time Employee,” in this policy, means an individual employed in a staff position who is required to work less than 40 hours per workweek.

J. *Regular Rate of Pay*

“Regular Rate of Pay,” in this policy, means pay received that includes base salary, and where applicable, night or weekend shift differential, longevity pay, hazardous duty pay, benefit replacement pay, and standby pay or other augmentations on top of base salary.

K. *Seasonal Activity*

“Seasonal Activity,” in this policy, means work during periods of significantly increased demand, which are of a regular and recurring nature.

L. *State Overtime/Compensatory Time at One for One (at 1.0)*

“State Overtime at 1.0,” in this policy, means time when the non-exempt employee has not actually worked more than forty (40) hours in a workweek but the total hours worked and hours of paid leave or paid holidays exceeds forty (40) hours.

M. *TRS-eligible Exempt Employee*

“TRS-eligible Exempt Employee,” in this policy, means an individual employed in a staff position designated as eligible to participate in the Teacher Retirement System of Texas (“TRS”) retirement system. Individuals employed in positions designated as eligible for the Optional Retirement Program are not considered TRS-eligible exempt employees, even if the individual elects to participate in the TRS retirement program.

N. *Workweek*

“Workweek,” in this policy, means that period beginning at 12:01 a.m. on Sunday and extending through the seven-day period ending at midnight the following Saturday. State law sets the minimum workweek for regular full-time salaried employees at forty (40) hours.

IV. Policy Responsibilities

A. General

1. It is the policy of the University of North Texas to arrange its work schedules in such a manner that employees are not required to work beyond their normal work schedule. However, when in management's view it becomes necessary for an employee to work overtime, they will be compensated in accordance with the provisions of both the federal Fair Labor Standards Act (FLSA) and the Texas Government Code.
2. Departments shall consider methods to reduce or, whenever possible, eliminate the necessity for compensatory time accrual and to provide eligible staff with the opportunity to utilize compensatory time earned. These methods may include allowing the staff to use compensatory time instead of vacation time, flexible scheduling, scheduling compensatory time at slow times, cross training and establishing work pools, using temporary employees or employees from other areas in the University, and increasing work productivity through technology or other means. Department supervisors should work jointly with their staff to explore these and other methods.

B. Exempt Employees

1. Compensatory Time Eligibility

Exempt employees are eligible to earn state overtime/compensatory time at one for one (1.0) for each hour worked on a Board of Regents designated holiday, as required by their supervisor and governed by the university policy on Holidays.

TRS-eligible exempt employees may also be eligible to earn compensatory time at a rate of one for one (1.0) for total hours worked plus holiday or other paid leave that exceed forty (40) hours (or the standard work hours for part-time employees) in a workweek, and if approved by the President or President's designee.

2. Approval

All compensatory time must be approved in advance by the department official who has the designated authority to approve overtime. A TRS-eligible exempt employee may accumulate compensatory time for hours worked during any workweek at the employee's personal residence if the employee obtains the advance approval of the President or designee.

3. Accrual

When the sum of hours worked plus holiday or other paid leave taken by a full-time exempt employee in a workweek exceeds 40 hours, and not otherwise, the employee may be allowed to accrue compensatory time at a rate of one for one (1.0) for the number of hours that exceeds 40 hours. When the sum of hours worked plus holiday or other paid leave taken by a part-time employee during a workweek exceeds the number of hours that the part-time employee is designated to work during the

workweek, and not otherwise, the employee may be allowed to accrue compensatory time for the number of hours that exceeds the number of hours that the employee is designated to work during the workweek.

4. Utilization

If an employee submits a written request to their supervisor to use accrued state compensatory time (1 for 1) not later than the 90th day before the date on which the accrued compensatory time is scheduled to lapse, the supervisor shall:

- a. approve the employee's request in writing/electronically; or
- b. provide the employee with an alternate date(s) on which the employee may use the compensatory time at 1.0.

The employee may request permission to use the accrued state compensatory time within 90 days of the date on which it will lapse, and the supervisor is encouraged to reasonably accommodate the employee's use of accrued compensatory time before the date on which it lapses.

5. Lapsing

All compensatory time earned must be taken during the 12-month period following the end of the workweek in which it was earned, with the exception of compensatory time earned providing emergency services during a federal or state disaster, which allows for an extended six (6) month period to take the time, totaling 18 months, or the compensatory time lapses and is removed from the employee's balance. Exempt employees may not be paid for any unused compensatory time, with exception of compensatory time earned for work directly related to a disaster or emergency declared by the appropriate officer of the state or federal government, which may be paid with authorization from the President or designee.

C. *Non-Exempt Employees*

1. Compensatory Time Eligibility

A non-exempt staff employee is eligible to accrue both state and federal overtime in accordance with the Texas Government Code and the Fair Labor Standards Act (FLSA), as amended. Any earned overtime is automatically accrued as compensatory time and shall be used in accordance with other provisions of this policy.

2. Approval

All overtime and compensatory time must be approved in advance by the department official who has the designated authority to approve overtime. A non-exempt employee may accumulate compensatory time for hours worked during any workweek at the employee's personal residence if the employee obtains the advance approval of the President or designee.

3. Accrual

A non-exempt employee is entitled to accrue compensatory time:

- a. "Federal Overtime at 1.5" is accrued when the employee actually worked more than forty (40) hours within the workweek. Any paid leave or paid holidays taken are not counted as hours worked in determining overtime at 1.5. This leave may be accrued to a maximum limit of 240 hours for non-exempt employees and up to 480 hours for non-exempt employees working in public safety, emergency response, or seasonal activities.
- b. "State Overtime at 1.0" is accrued when the employee has not worked more than forty (40) hours in a workweek but the total hours worked and hours of paid leave or paid holidays exceeds forty (40) hours.
- c. Compensation for hours worked on a Board of Regents designated holiday will be governed by UNT Policy 05.067, Holidays.

4. Utilization

a. *Compensation for "State Overtime at 1.0"*

Compensatory time is granted as equivalent time off (one hour for one hour), which must be taken during the 12-month period following the end of the workweek in which the overtime was worked, with the exception of compensatory time earned providing emergency services during a federal or state disaster, which allows for an extended six (6) month period totaling 18 months to utilize the compensatory time.

If an employee submits a written request to their supervisor to use accrued state compensatory time (1 for 1) not later than the 90th day before the date on which the accrued compensatory time is scheduled to lapse, the supervisor shall (1) approve the employee's request in writing/electronically; or (2) provide the employee with an alternate date(s) on which the employee may use the compensatory time at 1.0.

The employee may request permission to use the accrued state compensatory time within 90 days of the date on which it will lapse, and the supervisor is encouraged to reasonably accommodate the employee's use of accrued compensatory time before the date on which it lapses.

b. *Compensation for "Federal Overtime at 1.5"*

Compensatory time is granted as time off at one for one and one-half (1.5) for all compensatory hours under the limits on accumulation. Employees should be scheduled to take time off for accumulated compensatory time as soon as possible following the end of the workweek in which the overtime was worked.

c. *Supervisor Accommodation*

Supervisors shall accommodate to the extent practicable an employee's request to use accrued compensatory time. Supervisors should schedule employees to use accrued compensatory time as soon as possible or within a reasonable period of time after it is earned and within a reasonable time after the employee requests to use the compensatory time. An employee's use of compensatory time should be scheduled so as not to unduly disrupt the operations of the department.

5. Lapsing (State Compensatory Time Only)

State compensatory time (Compensatory Time at 1.0) off must be used within 12 months (except for emergency services personnel as provided below) of the end of the workweek in which the compensatory time was earned or the compensatory time lapses and is removed from the employee's balance.

6. Exceptions for Emergency Services Personnel

An exception for the use of state compensatory time exists for selected emergency services personnel who provide services during emergency or disaster situations. Emergency services personnel may be allowed to take state compensatory time during the eighteen (18) month period following the end of the workweek in which the compensatory time was accrued. In situations where it is impractical for the department to allow time off, the employee may be paid at their regular hourly salary rate for all or part of the compensatory hours accrued during the declared emergency or disaster in the preceding eighteen (18) months.

7. Reasonable Agreement Provision for Live-in Staff

Under the Fair Labor Standards Act regulations, a "reasonable agreement" may be established regarding hours worked per week for a non-exempt employee who resides on the employer's premises for extended periods of time. In such cases, the employee is not considered to be working all the time they are on the premises but has periods in which they may engage in normal private pursuits and other periods of complete freedom from all duties during which they may leave the premises. As actual hours worked under such circumstances are difficult to determine, the establishment of a reasonable agreement, in writing, with the employee precludes the accrual of compensatory leave for hours worked over forty (40) in a single workweek.

8. Payment of Compensatory Time

a. *Compensatory Time at 1.0*

In unusual situations when the taking of compensatory time off would be disruptive to critical functions, non-exempt employees may be paid for accrued unused compensatory time hours on a straight-time (1.0) basis, with the approval of the division Vice President or designee.

A non-exempt staff employee should use all accrued compensatory time earned at 1.0 prior to terminating employment, or in unusual situations as defined above, may be paid in cash for accrued unused 1.0 compensatory time. State law prohibits payment for state compensatory time after termination of employment. In certain situations, with the authorization of the department head, an employee may be paid for state compensatory time that the employee earned for work directly related to a disaster or emergency declared by the appropriate officer of the state or federal government.

b. Compensatory Time at 1.5

When compensatory time off for overtime earned at 1.5 is determined to be impractical and with the approval of the department head, or when the accrued compensatory time exceeds the limits on accumulation, cash payment shall be made at a rate equal to 1.5 times the employee's regular rate of pay in effect at the time of payment.

Exceptions to the workweek overtime calculation for hospital, fire protection, and law enforcement activities shall be made in accordance with the FLSA.

D. Multiple Jobs and Transfers.

1. Multiple Jobs

When an employee works two or more different jobs for the State of Texas, such jobs must be aggregated together to determine if overtime is appropriate. The FLSA provides for payment of overtime to a non-exempt employee for all hours exceeding forty (40) in the workweek. This applies regardless of whether the employment is in more than one department or unit within the University or is for more than one state agency or institution of higher education. The State of Texas Comptroller has issued rules for calculating overtime liability in cases of dual employment. Once forty (40) hours has been exceeded in the workweek, all employers are responsible for compensatory leave accruals and/or overtime payments.

a. Occasional/Sporadic Employment

The FLSA provides some flexibility in handling the dual employment issue when an employee, at their option, works on an occasional or sporadic basis in a substantially different capacity from their regular job. The hours worked in the occasional or sporadic employment are not to be included in the calculation of the overtime hours.

- b.** It is the responsibility of the employee to inform their supervisor that they have another job. It is the responsibility of the department head to ensure that the employee is compensated for all overtime worked.

2. Transfer

a. State Agency to State Agency

Compensatory leave accruals cannot be transferred from one state agency or institution of higher education to another.

b. Department to Department

An employee should use all accrued compensatory leave before transferring from one University department to another. Exceptions may be made if the receiving department is willing to accept the transfer of the individual's accrued compensatory time. A promotion or transfer cannot be denied to an employee solely on the basis of their compensatory time accrual.

If a non-exempt employee is not able to use all accrued compensatory leave prior to transferring from one University department to another, and the receiving department will not accept the compensatory leave, the releasing department should pay the employee for the remaining balance at the rate in effect at the time of payment.

E. Annual Notification

The University shall notify eligible employees annually of the policy on compensatory time.

F. Recordkeeping

The FLSA requires detailed time records be maintained on all covered non-exempt staff employees. Such records must include for each employee the hours worked each workday and total hours worked each workweek (Section 516.2(a)(7), FLSA). Each department head is responsible for ensuring that such time and attendance records are maintained on all non-exempt employees.

V. References and Cross-References

[UNT Policy 05.067, Holidays](#)

[UNT Policy 05.040, Supplemental Pay](#)

[UNT Policy 05.008, Dual Employment and Other Activities](#)

[UNT Policy 05.039, Longevity Pay/Hazardous Duty Pay](#)

[UNT Policy 05.053, Time and Attendance/Leave Records](#)

Fair Labor Standards Act of 1938, as amended, [29 U.S.C. §§ 207 and 213\(A\)\(1\)](#)

[29 C.F.R. § 516.2\(a\)\(7\)](#)

[Texas Government Code, Chapter 659](#)

VI. Revision History

Policy Contact:	Assistant Vice Chancellor & Chief HR Officer
Approved Date:	05/01/1983
Effective Date:	11/12/2012
Revisions:	10/1995, 08/1996, 08/1997, 08/1998, 09/1999, 09/2001, 07/2002, 08/2004, 11/2012, 06/02/2021, 03/25/2022