
State of Ohio Administrative Policy

Compensatory Time for Overtime Exempt Employees

No:

Human Resources Division
HR-08

Effective:

April 12, 2019

Issued By:



Matt Damschroder, Director

1.0 Purpose

To encourage all agencies to adopt a compensatory time policy for overtime exempt employees that complies with section 124.18 of the Ohio Revised Code and section 123:1-43 of the Ohio Administrative Code.

A glossary of terms found in this policy is located in Appendix A - Definitions. The first occurrence of a defined term is in ***bold italics***. To go directly to a term's definition, click on the bold and italicized term. To return to the body of the policy, click on the defined term.

2.0 Policy

All agencies are responsible for compliance with Ohio Revised Code, the Ohio Administrative Code, this policy and ensuring proper designation of an employee's overtime eligibility status under the Fair Labor Standards Act. If an agency adopts a compensatory time policy for employees who are: 1) exempt from collective bargaining; and, 2) overtime exempt under state law and the Fair Labor Standards Act, it must be in accordance with this policy. Any deviation from this policy must be requested and approved by the Director of the Department of Administrative Services prior to implementation.

Allowing overtime exempt employees to earn compensatory time offers a number of benefits to the State of Ohio:

- It allows the state to attract and retain quality state employees. Because new employees do not earn vacation at a rate similar to more tenured employees, the ability to use and earn compensatory time provides newly hired overtime exempt employees with an appealing benefits package. It also allows more tenured employees to balance the use of different types of accrued leave.
- It alleviates some of the concerns relating to ***pay compression*** and rewards hard-working managers, supervisors and other employees for the extensive number of hours that they work.

- Finally, it allows the State of Ohio to ensure that the hours worked by a particular employee are accurately tracked and maintained, and that the employee is appropriately compensated and rewarded for that work.

Compensatory time can be earned by employees only for work hours that an appointing authority determines are immediately necessary to the operation of the agency.

2.1 Work Schedules:

2.1.1 An agency may approve either a standard 40-hour work week schedule or a **flexible work schedule** for overtime exempt employees. No compensatory time will be granted for office work that could have been completed during the 40-hour week. An overtime exempt employee who is required by an administrative supervisor to be in an **active pay status** for more than 40 hours in any calendar week may earn compensatory time.

2.1.2 An agency may approve a flexible work schedule for overtime exempt employees permitting them to flex up to 80 hours in the same pay period. No compensatory time will be granted for office work that could have been completed during an 80-hour flexible work schedule. A flexible hour overtime exempt employee who is required by an administrative supervisor to be in active pay status for more than 80 hours in the same pay period may earn compensatory time.

2.2 Earning Compensatory Time: Compensatory time is earned on an hour-for-hour basis and may be earned in one-tenth of one hour increments for hours worked. Compensatory time may be earned for work completed at a location other than the employee's normal work location with supervisory approval or pursuant to an approved teleworking agreement. The maximum balance of compensatory time an overtime exempt employee may maintain at any time is 120 hours; effective with the pay period beginning April 14, 2019, the maximum balance an overtime exempt employee may maintain at any time is 240 hours.

2.3 Procedures for Use of Compensatory Time: All agencies are responsible for implementation and enforcement of the provisions below.

2.3.1 Use of compensatory time requires prior approval by a supervisor and must be taken at a mutually convenient time. Compensatory time may be used in intervals of one-tenth of one hour. Compensatory time is not available for use until it appears on the employee's earning statement and the compensation described in the earning statement is available to the employee. Compensatory time use must be documented in the same manner an employee would request to use leave.

2.3.2 Compensatory time balances will be maintained and reported on the employee's payroll notice.

2.3.3 Any compensatory time earned must be used within 365 days of the date it is earned.

- 2.3.4 Cash payment for earned compensatory time is not permitted. Employees may not convert compensatory time to any other form of leave. All compensatory time balances will be forfeited upon termination of employment or movement to a position that is overtime eligible. Compensatory time may not be used to extend an employee's date of resignation or date of retirement. Earned compensatory time is not transferable to another state department or agency.

3.0 Authority

Fair Labor Standards Act; ORC 124.09, 124.18; OAC 123:1-32-07(G), 123:1-43-01, 123:1-43-02, 123:1-45-01, 123:1-47-01(A)(63), 123:1-47-01(B)

This policy supersedes any previously issued directive or policy and will remain effective until canceled or superseded.

4.0 Revision History

Date	Description of Change
09/01/2009	Last Issue Date.
06/27/2016	Reissued in new format.
04/12/2019	Increased the maximum balance of hours from 120 to 240.

5.0 Inquiries

Direct inquiries about this policy to:

Labor Relations and Human Resources Policy
Human Resources Division
Ohio Department of Administrative Services
1602 West Broad Street
Columbus, OH 43223

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State of Ohio Administrative Policies may be found online at
www.das.ohio.gov/forStateAgencies/Policies.aspx

Appendix A - Definitions

- a. Active Pay Status. Conditions under which an employee is eligible to receive pay, and includes, but is not limited to, vacation leave, sick leave, bereavement leave, administrative leave, compensatory time, holidays, and personal leave. For the purpose of determining overtime or compensatory time for an employee who is eligible for overtime compensation, active pay status does not include sick leave or leave used in lieu of sick leave. (See OAC 123:1-47-01(A)(2)).

- b. Flexible Work Schedule. Variable work hours requiring employees to work a standard number of core hours within a specified period of time, allowing employees greater flexibility in their starting and ending times.
- c. Pay compression. A situation occurring when only a small difference in pay exists between employees, regardless of their knowledge, skills, abilities or experience. Oftentimes, it is the result of a market-rate for a given job surpassing the increases historically awarded to long-term employees.