



Compensatory Time and Worked Holidays

Responsible Official: Chief Operating Officer **Responsible Office:** Human Resources

Policy Purpose

This policy specifies the rules related to Compensatory Time, Paid Overtime, and Worked Holidays.

Policy Statement

Compensatory Time and paid overtime are available to individuals who qualify as Non-Exempt employees pursuant to the Employee Classification Policy and in compliance with the Fair Labor Standards Act. Worked holidays are available to both Exempt and Non-Exempt employees.

Non-Exempt employees are required to record all hours worked in compliance with federal law. Supervisors may choose to allow the employee to earn Compensatory Time for hours worked above their normal schedule or may approve paid overtime. A supervisor violates the law if a Non-Exempt employee works over their full-time schedule without compensation.

I. Compensatory Time and Paid Overtime.

Non-Exempt employees may not work overtime without prior supervisory approval. Employees do not have the right to refuse to work overtime. Any hours worked by a Non-Exempt employee between 37.5 and 40 in a workweek must be compensated at additional Straight Time (either by pay or Compensatory Time as determined by the supervisor). FLSA requires Non-Exempt employees to be compensated at an overtime rate for all hours worked over 40 hours per week. Sick leave, annual leave, and administrative leave days do not count as hours worked during the week.

Instead of paid overtime, a supervisor may elect to grant Compensatory Time for hours worked over 37.5 (or 40.0 hours for those employees assigned a 40-hour work week)). An eligible employee may accrue up to 240 hours of Compensatory Time. Any Compensatory Time accrued over 240 hours will be converted to paid overtime. Any unused balance of Compensatory Time as of the end of May will be paid at the employee's current hourly rate in the paycheck following the pay period that includes May 31.

A supervisor has the right to schedule Compensatory Time instead of paying overtime. If Compensatory Time is elected instead of overtime by the supervisor, it is given off at equal time. If Compensatory Time is given off within the pay period, though not within the same workweek, it is at time and one-half for any hours worked beyond 40 in a workweek.

- A. In determining whether to pay extra hours at Straight Time or overtime, time worked plus holiday hours are counted.
- B. Accrued time worked shall include hours worked plus any holiday hours for overtime calculation.
- C. All compensation, including stipends, must be added to a Non-Exempt employee's regular hourly rate to determine an overtime rate of pay.
- D. Neither Compensatory Time nor Overtime Pay is authorized for attending meetings such as Staff Senate or physical plant advisory committee meetings.
- E. If employees request time off, and holiday time is available, it shall be used prior to Compensatory Time. If employees request annual leave and Compensatory Time is available, the Compensatory Time shall be used first, unless the accumulated annual leave balance at the beginning of the pay period is within two (2) days of the maximum accrual rate for the employee. Employees whose annual leave balance is not within the two (2) day maximum at the beginning of the pay period must use Compensatory Time during the entire pay period. Otherwise, the University will honor requests for Compensatory Time off unless it would be unduly disruptive to the University's operations. When cash payment is made for overtime, it shall be calculated at the rate earned at the time of the payment. When meals and/or lodging are provided as part of the base pay, then the value of such must be included in determining the hourly overtime rate.

II. Worked Holidays.

If an employee is required to work on an official holiday by their supervisor, one hour of Compensatory Time is given for each hour of time worked and no overtime (1.5 times regular rate) is triggered (unless the workweek hours exceeded 40 hours). For Non-Exempt employees, holiday time worked is added to the employee's Compensatory Time balance. Any unused balance of worked holiday as of the end of May will be paid at the employee's current hourly rate in the paycheck following the pay period that includes May 31. Exempt employees who choose to work on their own time to get work done during a holiday may not receive Worked Holiday pay.

III. Emergency Call Back Time for Non-Exempt Employees.

A minimum of three (3) hours of compensable time will be provided for Non-Exempt employees who are "called back" (return to job site) to work for emergency reasons. If the employee has completed

their work and is called back to work within the same 3 hours window, the employee cannot claim another 3 hours of call back time.

IV. On-Call Time for Non-Exempt Employees.

Non-Exempt employees who are scheduled to be “on-call” and provide services during off-duty hours should record those as hours worked and will be paid or given Compensatory Time in accordance with overtime procedures. Guidelines for on-call time can be found on the [HR website](#).

V. Travel Time Pay for Non-Exempt Employees

The compensation of travel time is dependent on when the travel occurs. Employees must seek supervisor approval before the travel time occurs. Supervisors must consult the Office of Human Resources about if and how travel time is compensated. Guidelines for travel time pay can be found on the [HR website](#).

Authority: Fair Labor Standards Act, TCA § 8-50-801; TCA § 49-8-203

Previous Policy: PPP-05 Pay Procedures, TBR No. 5:01:01:00

Defined Term

A defined term has a specific meaning within the context of this policy.

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| COMPENSATORY TIME | Time- off granted to employees in lieu of payment for hours worked over their regular full-time working schedule. |
| EXEMPT | Exempt employees are ineligible for Overtime Pay and Compensatory Time according to the Fair Labor Standards Act. ETSU permits Exempt employees Compensatory Time for holiday hours if they are required to work. |
| NON-EXEMPT | Non-Exempt employees are eligible for Overtime Pay or Compensatory Time according to the Fair Labor Standards Act. |
| OVERTIME PAY | Overtime pay instead of Compensatory Time is granted to employees with supervisory approval. |

Policy History

Effective Date

- a. Initial: 06/17/24
- b. Revised:

Procedure N/A

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- b. Revised:

Related Form(s)