



Policy Title:	Minimum Wage and Overtime
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Policy Management Area(s):	Human Resources and Equal Opportunity

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#### **SUMMARY:**

In accordance with the Fair Labor Standards Act (FLSA), the University has established the following policy on work hours, equal pay, minimum wage, overtime compensation, and child labor restrictions.

#### **POLICY:**

##### **I. Minimum Wage and Overtime Compensation**

###### **A. Exempt/Non-Exempt Status**

1. Employees in bona fide executive, administrative, professional or computer positions and whose salaries meet certain thresholds within the FLSA are exempt from both the minimum wage and overtime pay requirements of the FLSA.
2. Exemptions will be determined by the Vice President for Human Resources or designee. An exempt position must be paid on a salary basis and the salary must align with prevailing federal law. All other employees will be non-exempt. CCU may re-evaluate an employee's exemption status at any time, as appropriate.

- B. Non-Exempt Employee- an employee who is covered by the FLSA and is, therefore, subject to both the minimum wage and overtime requirements of the law.
- C. Minimum Wage- all non-exempt employees, including temporary and student employees, will be paid no less than the federal minimum wage, subject to overtime and record-keeping requirements of the FLSA.
- D. Regular Rate- the regular rate of pay includes all remuneration for employment paid to an employee including, but not limited to, base pay and shift differential.
- E. Hourly Rate- the hourly rate is calculated by dividing the annual salary by 2080 hours. Compensation of eligible University faculty and staff employees is based on 40 hours per week or 2080 hours per year.
- F. Workweek- The normal workweek for the University is 37.5 hours.
  - 1. The University workweek begins at 12:01 a.m. Sunday and ends at midnight on Saturday.
  - 2. Each workweek stands alone for the purpose of determining overtime compensation for non-exempt employees, except for law enforcement personnel.
  - 3. The minimum workweek for full-time eligible employees is 37.5 hours.
  - 4. Employees may receive neither additional compensation nor compensatory time for hours worked between 37.5 and 40 hours per week. Any employee may be required to work up to 40 hours per workweek without additional compensation or compensatory time. This excludes temporary and student employees who must be compensated for all hours worked.
- G. Adjusted Workweek- When circumstances warrant, supervisors may approve a non-exempt employee to work in excess of the normal workday and to be given time off during the same workweek at the rate of an hour-for-an-hour to avoid working over 40 hours in a workweek. This adjustment should not occur for hours worked between 37.5 hours and 40 hours in any workweek.
  - 1. Law enforcement personnel may be required to work a variable schedule over a 14-day work period.
- H. Compensable and Non-Compensable Time
  - 1. Hours Worked
    - a. Hourly employees are compensated for actual hours worked.
    - b. Hours worked include all time an employee is required to be on duty or at work at a prescribed workplace, and all time performing duties related to the job.
    - c. When a non-exempt employee is required to attend lectures, meetings, training programs, etc., such time will be considered compensable. Participation in and compensation for training that is not required is at the discretion of the employee's supervisor. Supervisory review and approval is required in advance.

- d. Any bona fide work which the employee performs away from the University will be considered hours worked if the supervisor knows or has reason to believe the work is being performed.
  - e. Rest periods or breaks are not required by FLSA; however, when breaks are given, such periods of short duration from 5 to 15 minutes must be counted as time worked. One morning and one afternoon rest period or break of no more than fifteen (15) minutes each are permitted. Breaks are a privilege and not a right. Rest periods or breaks will not be used to allow an employee to come in late, to leave early or to extend the meal period. Morning and afternoon rest periods or breaks cannot be combined.
  - g. A bona fide meal period of 30 minutes or more which occurs during the scheduled work day is not hours worked if the employee is completely relieved from duty for the purpose of eating a meal. At CCU, the meal period (lunch period) is thirty (30) minutes to one (1) hour each work day, depending on the employee's assigned work schedule. Approved dual employment assignments may be allowed during unpaid meal periods, with the appropriate administrative approvals.
  - h. Time off for holidays, paid leave, and compensatory time are not counted as hours worked when calculating overtime.
2. On-Call Status
- a. A non-exempt employee who is in on-call status, but who is essentially free to use the time for his/her own purposes, is considered to be "waiting to be engaged." Such time will not be counted as compensable for purposes of determining overtime hours.
  - b. A non-exempt employee who is in on-call status, but who must remain accessible to the point that time may not be used for his/her own purposes is considered to be "engaged to wait." Such time will be counted as compensable for purposes of determining overtime hours.
  - c. Payment to an employee for being in on-call status may be made only with the prior written approval from Human Resources and Equal Opportunity (HREO).
  - d. Non-exempt employees in an on-call status are subject to "call back" and will be compensated for hours worked as a result of the call back. This time will be counted in computing any overtime that may be due. In the event it becomes necessary for an employee to be called back for emergency services and the service rendered requires less than two hours on the job, or in the event no work is available when he/she reports, the employee will be paid a minimum of two hours for each emergency call. Employees will be compensated for travel time to and from work as a result of the "call back."
  - e. An employee will neither be credited with nor paid for call back time if:

- (1) The call back has been canceled and the employee received notice in advance not to report to work; or
- (2) The employee refuses alternate work that is offered upon reporting to work.

3. Travel Time

- a. Time spent traveling to and from the regular place of employment is not counted as hours worked.
- b. For non-exempt employees engaged in business travel that is completed in one work day, all hours spent traveling are considered hours worked, regardless of time of day or day of the week.
- c. For non-exempt employees engaged in business travel that includes an overnight stay, only those hours that coincide with the employee's regular work hours are considered hours worked. This provision is applicable on regular working days as well as during the corresponding hours of non-working days. Time spent in travel away from home outside of regular working hours as a passenger on an airplane, train, boat, bus or automobile is not compensable, unless the employee is performing work-related activities. Refer to Travel for Work Guidelines regarding travel administration at CCU.

4. Electronic Devices/System Access

- a. Generally, it is not expected that non-exempt employees will perform University business outside of their normal work hours unless such work has been explicitly approved by their supervisors.
- b. Non-exempt employees should not check or access CCU e-mail before or after standard work hours unless directed by their supervisors.
- c. Non-exempt employees are required to track and report all hours worked, including time spent on cell phones, email, the Internet, etc., for business purposes during and after normal work hours.

I. Overtime

1. Hours worked by a non-exempt employee in excess of 40 hours in a given workweek constitute overtime.
2. Department heads and authorized supervisors may require employees under their supervision to work hours in excess of their regular workweek in order to meet the needs of the University. The use of overtime should be an exception to the regular work schedule. Every attempt should be made to avoid repetitive and chronic use of overtime.
3. A non-exempt employee must receive approval from his/her supervisor or department head prior to working in excess of 40 hours in a workweek.
4. Unauthorized Work
  - a. Non-exempt employees may not work (on or off campus) more than 40 hours in a workweek unless prior approval has been given by the supervisor or the department head.

- b. Non-exempt employees must be compensated for unauthorized overtime work, but the employee and/or supervisor may be subject to disciplinary action.
- c. Within the provisions of the FLSA, department heads are responsible for implementing reasonable management controls in order to assure that unauthorized work is not being performed.
- d. If an employee's FLSA designation changes from non-exempt to exempt or the employee accepts an exempt position at CCU, any compensatory time accumulated while non-exempt cannot be carried over when said employee transitions to exempt. Such compensatory time must be paid out.
- e. If a non-exempt employee separates from employment or moves to another state agency, any accrued compensatory time must be paid out upon separation or movement.
- f. Compensatory time must be paid out at a rate of compensation not less than either the average regular rate received by the employee during the last three years of employment or the final regular rate received by the employee, whichever is higher.

J. Overtime Administration for Non-Exempt Employees

- 1. Non-exempt employees are eligible for overtime compensation in the form of wages and will receive such compensation for all hours worked in excess of 40 in one workweek.
- 2. Compensation for overtime is typically paid as wages.
- 3. The University reserves the right, at its sole discretion, to offer overtime compensation in the form of compensatory time at the rate of 1.5 hours for each hour worked in excess of 40 in a workweek. In such cases, non-exempt employees may only accrue up to 240 hours of compensatory time. In the event the non-exempt employee accrues more than 240 hours of compensatory time, the overtime should be paid in the employee's next regular payroll check. For certain sworn law enforcement personnel on a 14-day work period, the compensatory time maximum accrual threshold is 480 hours.
- 4. Overtime wages for non-exempt employees will be at the rate of 1.5 the hourly rate for each hour worked in excess of 40 hours within a workweek, with the exception of sworn law enforcement officers serving in that capacity. (See I.5)
- 5. Sworn law enforcement officers shall be paid at straight time for all hours worked up to 80 during a 14-day work period. Overtime wages for non-exempt sworn law enforcement officers (serving in that capacity) will be at the rate of 1.5 times the hourly rate for each hour worked in excess of 80 hours during a 14-day work period.
- 6. When an employee works over 40 hours in two or more non-exempt positions, the federal weighted formula will be used to calculate overtime.
- 7. Overtime compensation may not be waived or reported after a delay by agreement between the supervisor and the employee.

8. Overtime wages will be managed within existing departmental budgets.

K. Compensatory Time for Exempt Employees

1. Employees whose positions are exempt from the provisions of the FLSA are not eligible for overtime wages.
2. At the discretion of the department head, exempt employees may be eligible to earn compensatory time up to an hour-for-hour basis for hours worked or spent traveling on University business in excess of 40 hours in a given workweek. Compensatory time is not compensable at any time as wages.
3. Compensatory time for exempt employees may not accumulate to equal more than 240 hours in one year. The department head may determine if compensatory time is accumulated by calendar year or fiscal year based on departmental needs. Accumulated compensatory time should not be carried over from one year to the next. Compensatory time which has not been taken by the end of the department's established compensatory time year will be forfeited, unless an exception is granted by the appropriate President's Council vice president. If an exception is granted, only compensatory time accumulated within the last 60 days of the established year may be used within the first 60 days of the next year.
4. In general, if an exempt employee moves to a different department or position, and his/her position remains exempt, any accumulated compensatory time should not be transferred.
5. Exempt employees terminating from the University will not receive payment for compensatory time not taken.
6. Within the provisions listed above, it will be the responsibility of each department head to develop procedures for the authorization and use of compensatory time for exempt employees, and to keep records to substantiate the consistent application of the department's procedures.

L. Holiday Compensatory Time

1. Any eligible non-exempt employee who is required to work on a holiday will be given holiday compensatory time within one year of the date of the holiday at the convenience of the department. Time worked on a holiday shall be used in computing total hours worked. For the convenience of the department, the employee must fill out the Holiday Compensatory Time Form, with a proposed date of use for the holiday compensatory time credit, signed by the supervisor. The form must be received by payroll prior to the holiday so all records can be accurately maintained. All non-exempt employees who cannot coordinate a time to take or choose not to receive holiday compensatory time earned for working on a holiday within the one-year period shall be compensated for the holiday at the straight hourly pay rate of the employee. All non-exempt employees shall be compensated for all holiday compensatory time upon separation from employment from state government, movement to a position in another state agency, or upon an employee starting in an exempt position at the University.

2. Any eligible exempt employee who is required to work on a holiday shall be given holiday compensatory time at the convenience of the department within one year of the date of the holiday. It is the responsibility of the department to develop procedures for the authorization and use of holiday compensatory time for exempt employees, and to keep records to substantiate the consistent application of the department's procedures. Exempt employees shall not be paid for unused holiday compensatory time.

M. Multiple Positions

1. To ensure that employees are compensated properly and timely, employees may accept additional positions at Coastal Carolina University in accordance with governing institutional policies as well as federal and state laws and regulations. Additional positions should hold the same FLSA status as the employee's primary position and positions should be on the same payroll cycle. All additional positions require advance administrative approval.  
Examples:
  - Hourly employees should only be employed in other hourly positions.
  - Salaried, non-exempt employees may only accept additional positions that are also non-exempt in nature.
  - Salaried, exempt employees may only accept additional positions that are salaried exempt in nature.
2. In accordance with Section 19-707.02 (C) SC HR Regulations, the State is considered one employer for the purposes of applying FLSA.