



# **Compensation Policies for Salaried Non-Exempt Employees**

## Overtime Compensation Eligibility

Eligibility of University employees for overtime pay is determined in accordance with the criteria applicable under the Fair Labor Standards Act (FLSA) of 1938 (29 U.S.C. § 201 et seq.).

Employees determined to be exempt under the Fair Labor Standards Act are not eligible for overtime pay and are paid on a salary basis.

At the University of Illinois, employees eligible for overtime under FLSA are categorized as either hourly non-exempt or salaried non-exempt.

## Overtime Compensation for Salaried Non-exempt Employees

Salaried non-exempt employees receive pay on a salary basis that provides compensation for their regular service. Regular service for full-time academic employees reflects 40 hours/week; regular service for full-time civil service employees reflects 37.5 or 40 hours/week. The regular work week service for part-time employees is proportionate to the percent time of the appointment. For example, an individual who has a 75% time academic appointment provides 30 hours of regular service/week (75% \* 40).

Salaried non-exempt employees will receive overtime compensation when hours in pay status exceed either 40 hours/week (academic) or 37.5 or 40 hours/week for civil service employees, regardless of whether the employee is part-time or full time. Non-exempt civil service employees also receive overtime compensation when hours in pay status exceed 7.5/day or 8/day in accordance with Policy and Rules for Civil Service Staff. The workweek period starts on Sunday and ends on Saturday.

Overtime is paid at 1.5 times the regular hourly rate. The regular hourly rate for an academic employee is determined by dividing his/her annual salary by the number of service months (9, 10, or 12) to determine monthly rate. The monthly rate is then divided by (173.33/hours per month X FTE).

Overtime compensation for salaried non-exempt employees who are assigned to two (2) or more appointments or classifications, with different rates of pay, will be determined based

upon the rate of pay that applies to the work they are performing at the time the overtime hours are worked.

### Authorization of Overtime

Overtime must be pre-authorized. Each unit must set guidelines regarding the authorization of overtime. Supervisors have discretion to determine reasonable and appropriate exceptions to the established unit guidelines. Overtime can be required, should be with advance notice (when possible) and should be fairly distributed (when practicable).

Salaried non-exempt employees must adhere to the unit guidelines and procedures in obtaining prior authorization for working overtime hours. Unauthorized overtime or other violations of the guidelines or procedures by an employee could result in discipline.

### Flextime Work Schedule

Flextime is an option that provides an alternate means to fulfill work requirements within a work week. "Flextime" refers to adjusting the daily service hours within the workweek. Flextime can be requested by either the salaried non-exempt employee or the unit/supervisor. If the salaried, non-exempt employee's position is covered by a collective bargaining agreement, the supervisor should consult with Academic Human Resources and/or Illinois Human Resources prior to making an adjustment to the daily service hours. In general, flextime requests should be mutually agreeable between the employee and the supervisor. However, a supervisor may assign a flexed schedule adjustment to meet the operational needs of the unit. It is expected that flextime requests be discussed with as much advance notice as possible. All flextime arrangements must occur within a workweek (Sunday-Saturday) and cannot cross workweeks.

### Compensatory Time (Comp Time)

Salaried non-exempt employees cannot accrue comp time. While comp time is an alternative form of overtime payment for certain employee categories, it is not an alternative form of overtime payment for salaried non-exempt employees. Overtime compensation for salaried non-exempt employees is limited to pay only.

### Time Reporting

Salaried non-exempt employees must fully and accurately record all of their time (including all regular work hours, all hours of accrued leave that were used, and all overtime hours that were worked) for each workweek on a biweekly timesheet, even if no paid leave was used or no overtime was worked during that time period. Supervisors and employees are both responsible for ensuring that timesheets are an accurate reflection of that week.

## Work Hours Reporting

Salaried non-exempt employees must report work time (including overtime) in fifteen (15) minute increments rounded accordingly. Time of seven (7) minutes or less is not reported. However, all work time is cumulative within a workday.

Minutes Worked	Time Reporting Minutes	Time Reporting Hours
0 - 7	0	0.00
8 - 22	15	0.25
23 - 37	30	0.50
38 - 52	45	0.75
53 - 60	60	1.00

## Leave Reporting

Leave usage is reported in either full-day or 1-hour increments. Increments of less than one hour are rounded down to the nearest whole hour. Multiple occurrences of the same leave type in a day (vacation or sick leave) are cumulative for the day. For example, leave time for a personal doctor's appointment in the morning and leave time to care for a sick child in the afternoon would be combined for a total amount of sick leave for the day.

## Part-time Salaried Non-Exempt Compensation

Part-time, salaried non-exempt employees will be paid at a straight time rate for time in pay status that exceeds the regular scheduled weekly hours (prorated for FTE) but that does not exceed the full-time work week schedule of 40 hours (academic) or 37.5 or 40 hours (civil service). Overtime compensation of 1.5 times the equivalent hourly rate of pay will be provided only when service during the workweek exceeds 40 hours (academic) or 37.5 or 40 hours (civil service).

## Travel Pay for Salaried Non-Exempt Employees

All time spent on travel during normal work hours on behalf of the University is compensable time (except: on a common carrier or as a passenger where no work is done or if the employee is required to report to a location where he or she is to pick up materials, equipment, or other employees, or to receive instructions before traveling to the work site, time is compensable once the employee reaches the location).

For travel that extends the normal work hours but does not require an overnight stay, salaried non-exempt employees are to be compensated for all hours (drivers or passengers). When the (non-exempt) employee is the driver: Time spent by a non-exempt employee as the driver is all compensable, regardless of the day of the week or the time of day the travel occurs. When the (non-exempt) employee is the passenger: Time spent by passengers traveling in a care during the normal workday is compensable, even if it occurs on a day that the employee is not normally scheduled to work.

Time spent in overnight travel away from home outside of regular working hours as a passenger on an airplane, train, boat, bus or automobile, when the employee is free to relax, is not considered compensable time. If the employee is the driver of the vehicle, the employee must be compensated, because driving is considered work time. To the extent that an employee performs work while traveling, e.g. preparing for a meeting, reviewing documents, making telephone calls, this time constitutes hours worked even if the travel time would otherwise not be compensable.

### On-Call Pay

Units with a business need to designate employees to remain available to return to work to respond to unanticipated emergencies outside normal work hours will consult with Academic Human Resources and/or Illinois Human Resources to develop appropriate pay plans.

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