University Policies and Procedures

07-06.12 - COMPENSATORY LEAVE

I. Purpose:

Towson University has established implementing procedures for Regular Non-exempt employees to provide an alternative to overtime pay in accordance with the Fair Labor Standards Act (FLSA) and for Regular Exempt employees in accordance with USM policy VII-6.10, Policy on Work Schedules for Regular Nonexempt and Exempt Staff Employees [https://www.usmd.edu/regents/bylaws/SectionVII/VII610.pdf].

II. Definition:

The pay period calendar year time frame is defined as the first full pay period of a calendar year to the pay period that ends on the last day of that same calendar year or overlaps that same calendar year with the new calendar year.

III. Responsible Executive and Office:

Responsible Executive:  Associate Vice President of Human Resources

Responsible Office:  Office of Human Resources

IV. Earnings:

A. Non-exempt employees are eligible to earn time-and-a-half compensatory leave for hours worked over forty (40) in a pay week, in lieu of payment for those hours.

B. A Non-exempt employee’s compensatory leave balance may not exceed two hundred forty (240) hours at any time.

C. Exempt employees are expected to work the hours necessary to complete assignments on a schedule that satisfies the requirements of the job. A full-time commitment typically requires a minimum of eighty (80) hours per bi-weekly pay period. Although not required and not an entitlement, a limited amount of compensatory leave may be earned on an hour per hour basis by exception with the written approval of the Department Head.
D. The decision to earn compensatory leave shall be made prior to the period in which the hours are worked.

V. Usage:

A. Non-exempt employees shall use compensatory leave earned within the pay period calendar year time frame in which it was earned.

B. Non-exempt employees shall record hours used with leave code CMPUS on the Web timesheet.

C. Exempt employees shall use compensatory leave within twelve (12) months of when it is earned.

D. Exempt employees shall record hours used in the Remarks section of the Web timesheet.

VI. Tracking:

A. Non-exempt employees shall record actual hours over forty (40) in a pay week to be earned as compensatory leave in the Bi Weekly COMP Hours section on the web timesheet. The actual hours shall be computed as time-and-a-half earned on the Leave Statement. Earned and used compensatory leave shall be tracked in the web timesheet system.

B. Department Heads and Timekeepers shall keep records of earned and used approved compensatory leave for Exempt employees on a form provided by the Office of Human Resources.

VII. Separation:

Non-exempt employees shall be paid for any outstanding unused compensatory leave at the time of separation.

VIII. General:

A. For all employees earning and using compensatory leave as outlined in this policy, participation shall be voluntary and approved by the Department Head prior to the earning of compensatory leave. Non-exempt employees who wish to earn compensatory leave are required to complete the Compensatory Time Program Agreement for Regular Non-Exempt Staff.

B. For all employees, compensatory leave earned shall be mutually agreed upon in advance by the employee and Department Head for each occurrence.
C. Non-exempt employees who work over forty (40) hours in a week in a department other than their own shall always receive time-and-a-half overtime pay. The cost of the overtime pay shall be borne by the other department.

D. A Non-exempt employee whose cumulative balance reaches two hundred forty (240) hours of compensatory leave shall be paid time-and-a-half overtime for hours over forty (40) in a pay week.

E. Non-exempt employees shall be paid for unused compensatory leave at the end of the pay period calendar year time frame. Payment shall be charged to the employee’s department.

F. Exempt employees shall not be paid for unused compensatory leave.

Related Policies:

USM Policy VII-6.10, Policy on Work Schedules for Regular Nonexempt and Exempt Staff Employees

Approval Date: 6/7/05

Effective Date: