

SUBJECT		No. FA-609.01
COMPENSATORY POLICY FOR EXEMPT EMPLOYEES		Effective Date FEBRUARY 14, 1997
Issue Date: 02-14-97	Revision Date:	Revision No:

1. PURPOSE

1.1 To ensure that the Finance & Administration Department (F&A) is in compliance with the City of Houston policy on Compensation: Exempt Employee Compensatory Time, No. 302.00, and Section 14-168 of the Code of Ordinance to ensure uniformity in practice and procedure.

2. SCOPE

2.1 This policy applies to F&A **exempt employees only** and supersedes all former F&A policies, procedures and directives related to overtime/compensatory time. Overtime and compensatory time for non-exempt employees is covered under provisions of the Fair Labor Standards Act (FLSA).

2.2 Definition of terms:

2.2.1 Exempt employees are those designated by the Human Resources Department and are not covered under the FLSA.

2.2.2 Flexible (adjusted) scheduling is the preferred method of adjusting the normal work schedule of any exempt employee.

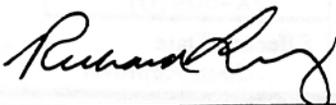
2.2.3 Compensatory time is time off in lieu of pay for hours worked beyond the normal work week.

3. POLICY

3.1 "Salary rates for exempt positions take into account the full responsibilities of the positions and recognize the requirement for some work beyond normal hours and/or the normal work week. It is normally expected that the exempt employee will work additional hours to complete projects as necessary." (See attachment A - Policy 302.00)

3.2 The City of Houston does not routinely pay overtime nor grant compensatory time in lieu of overtime to salaried exempt employees. (See attachment A - Policy 302.00)

3.3 Under extraordinary or emergency circumstances exempt employees may be granted compensatory time.

Approved 	Date Approved 2/14/97	Page 1 of 6
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FINANCE & ADMINISTRATION

- 3.4 Exempt employees with bi-weekly salaries over \$1,533 are not eligible for compensatory time.
- 3.5 Exempt employees with bi-weekly salaries up to and including \$1,533 must:
- 3.5.1 Request compensatory time using the designated form (Attachment B),
 - 3.5.1 Have approval from the F&A Director and
 - 3.5.2 Have approval from the Director of Human Resources
- 3.6 Flexible schedules may be made only with the approval of both the supervisor and manager.
- 3.7 Permission to adjust a normal work schedule during major projects and/or under unusual or emergency circumstances, must meet the following:
- 3.7.1 An employee must have worked two hours or more beyond the regularly scheduled work day per occurrence.
 - 3.7.2 Work schedules can only be modified in response to hours already worked.
 - 3.7.3 Time spent on the telephone responding to "on-call" questions does not entitle the employee to a flexible work schedule.
 - 3.7.4 Time spent traveling in response to an "on-call" problem is eligible for inclusion in a flexible work schedule.
 - 3.7.5 Flexible schedules must be completed within the current forty (40) hour work week if possible but no later than the subsequent pay period.
 - 3.7.6 Any time not used within the specified period will be lost and not recoverable.

4. PROCEDURE

- 4.1 The "Exempt Employee Request for Compensatory Time" form (Attachment B) must be completed and submitted by the supervisor to the appropriate authorities prior to the compensatory time being granted.

Subject	No.	FA-609.01	Page
	Effective Date	Upon Approval	2 of 6

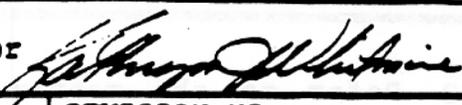
FINANCE & ADMINISTRATION

- 4.2 Refer to the matrix below to determine the minimum approvals required and the time sheet codes to be used when compensatory time is earned or used.
- 4.3 Exception to standard work day shall be recorded and attached to payroll time sheets and retained in the division.

Action	Exempt Employee (with bi-weekly base salary up to \$1533)*	Exempt Employee (with bi-weekly base salary over \$1533)*
Approval of compensatory time	Department head and Director of Human Resources	Not eligible for compensatory time
Accrual of compensatory time	Time sheet code - OW	Not eligible for compensatory time
Compensatory time used	Time sheet code - CT	Not eligible for compensatory time
Accrued compensatory time not used within 120 days	Compensatory time is forfeited under these conditions	Not eligible for compensatory time

*Flexible scheduling is an option for either category.

ATTACHMENT A

POLICY TITLE: Compensation: Exempt Employee Compensatory Time			NUMBER 302.00
APPROVAL: Kathryn J. Whitmire, Mayor 			Page 1 of 1
ISSUE DATE: February 1, 1984	REVISION DATE:	REVISION NO.	EFFECTIVE DATE: February 1, 1984

Policy Statement: It is the policy of the City of Houston not to pay overtime nor grant compensatory time in lieu of overtime to salaried exempt employees. Flexible work schedules for such employees shall be utilized whenever possible to address additional hours worked.

Under extraordinary or emergency circumstances, employees whose classification is exempt may be permitted compensatory time subject to the structure and provisions set forth in the amplification section below.

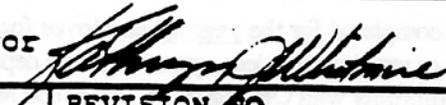
Policy Basis: Section 12-168 of the Code of Ordinances as amended by Ordinance No. 84-144.

Policy Amplification: For the purpose of this policy "exempt employees" shall be defined as those employees whose classifications have been designated by the Director of Personnel as bona fide executive, administrative, or professional. Such designation shall be subject to review and approval by the Civil Service Commission. Based on job-related criteria, exempt employees are not eligible to receive overtime pay.

Exempt employees are normally expected to work the time necessary for their particular responsibility and/or assignment. This is essential so that exempt employees can properly manage, delegate, carry out, or otherwise complete assigned tasks. Salary rates for exempt positions take into account the full responsibilities of the positions and recognize the requirement for some work beyond normal hours and/or the normal work week. It is normally expected that the exempt employee will work additional hours to complete projects as necessary.

Under extraordinary circumstances the Department/Division Director can authorize a limited amount of overtime in the form of compensatory time to exempt employees (as defined above) under the following provisions:

- (1) The term "extraordinary circumstances" shall include unscheduled work on a holiday or extra-work brought about by critical or emergency situations in departments maintaining 24-hour operations, or other such circumstances subject to the recommendation of the Department head and the review and approval of the Director of Personnel;
- (2) To be eligible, the exempt employee's base salary must not exceed \$40,000 per annum;

POLICY TITLE:		Compensation: Exempt Employee Compensatory Time	NUMBER	302.00
APPROVAL:		Kathryn J. Whitmire, Mayor 	Page <u>2</u> of <u>2</u>	
ISSUE DATE:	REVISION DATE:	REVISION NO.	EFFECTIVE DATE	
February 1, 1984			February 1, 19	

- (3) The compensatory time approved must be associated with a defined project assignment or condition of emergency generated over a confined period of time. An example would be emergency clean up efforts after flood, hurricane, etc. which require an inordinate amount of work hours over a reasonably projected period of time;
- (4) Compensatory time shall not be approved or granted in cases where the overtime work assignment is otherwise a part of the employees normal job duties. An example would be extra work created because an employee has been absent due to illness or vacation;
- (5) Compensatory time shall be earned only on a straight time, hour for hour basis;
- (6) Compensatory time off for overtime worked shall be granted under provisions as detailed above, only, and shall not exceed an accumulative maximum of 40 hours per fiscal quarter. All earned compensatory time must be used within one hundred twenty (120) days after the conclusion of the pay period in which it was earned. Any and all such time not used within those one hundred twenty (120) days will be lost and shall not be recoverable;
- (7) Cash payment(s) in lieu of compensatory time shall be strictly prohibited; and;
- (8) Any and all approved compensatory time must be documented to the Director of Personnel and shall be subject to review by the Civil Service Commission. The affected department head, however, where practicable should pre-plan all overtime situations prior to their occurrence.

Policy Compliance: All affected employees shall comply from the policy date forward.

Policy Exception: In the event of a City emergency created by an act of God or other uncontrollable factor, the Mayor of the City of Houston may upon executive order temporarily amend and/or suspend all or any portion of the above policy and issue administrative procedure as appropriate with regard to time documentation and compensation.

Other policy exceptions and/or violations shall be brought to the attention of the Director of Personnel for review and recommend course of action.

EXEMPT EMPLOYEE REQUEST FOR COMPENSATORY TIME

Employee Name _____ SSN _____ Date _____
 Classification _____ Department _____

This form is to be completed for the exempt employee for whom compensatory time is requested. No compensatory time will be authorized or recognized unless approved by the department head (or his/her designee) and the Director of Personnel, and reported in conformity with Ordinance 14-168(e) and Mayor's Policy 302.00. Exempt employees normally are expected to work the time necessary for their particular responsibility and/or assignment. It is normally expected that the exempt employee will work additional hours to complete projects as necessary, without expectation of additional benefits or pay. An exempt employee's request for compensatory time will be considered only if the following criteria are met:

- The employee's base salary does not exceed \$1,533.00 biweekly.
- The employee has not exceeded an accumulative maximum of 40 hours per calendar year quarter (the quarters begin January 1, April 1, July 1 and October 1).
- The compensatory time is earned only on a straight time, hour-for-hour basis.
- The work for which compensatory time is requested must be performed under extraordinary circumstances, which shall mean unscheduled work on a holiday or extra-work brought about by critical or emergency situations in departments maintaining 24-hour operations, or other such circumstances subject to the recommendation of the department head and the review and approval of the Director of Personnel.

SECTION I - TO BE COMPLETED BY THE EMPLOYEE REQUESTING COMPENSATORY TIME:

I am requesting _____ hours of compensatory time. I certify that I am an exempt employee and that I earn a base salary of \$1,533.00 biweekly or less. I understand that the supervisor who assigned the work for which I am requesting compensatory time is not authorized to grant or approve the compensatory time, and that such grant or approval can only be made by my department head (or his/her designee) and the Director of Personnel. I further understand that I am otherwise obligated to perform the assigned work and that my request for compensatory time may or may not be approved, either in whole or in part.

 Employee Signature Date

SECTION II - TO BE COMPLETED BY THE SUPERVISOR ASSIGNING THE WORK:

I certify that the employee meets the criteria for compensatory time as specified above. I further certify that the work requires _____ hours to perform and is to be performed under extraordinary circumstances as follows (describe work):

 Supervisor Signature Date

SECTION III - TO BE COMPLETED BY THE DEPARTMENT HEAD OR DESIGNEE:

- I recommend that the employee receive _____ hours of compensatory time for the assigned work.
- I do not recommend that the employee receive compensatory time.

 Department Head Date

SECTION IV - TO BE COMPLETED BY THE DIRECTOR OF PERSONNEL:

Compensatory time is: Approved for _____ hours Disapproved

 Director of Personnel Date