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;
(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 occurance.

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.