

**INDIANA DEPARTMENT OF CHILD SERVICES
ADMINISTRATIVE POLICIES AND PROCEDURES**

Policy Number: HR-2-3

Effective Date: July 1, 2005

Version: 1.0

POLICY TITLE: COMPENSATORY TIME OFF

OVERVIEW: **Overtime-Eligible Employees** may elect compensatory time off in lieu of monetary pay for overtime. **Overtime-Ineligible Employees** are rarely awarded compensatory time off; such employees carry responsibilities that may require more than the regularly scheduled number of hours per week. Only in extraordinary circumstances is the DCS Director or his/her designee authorized to award compensatory time to an Overtime Ineligible employee.

I. DEFINITIONS

- a. **Compensatory Time Off:** Time off given in lieu of monetary pay. Compensatory time off may be used outside of the pay period in which it was earned. This is one of the ways in which Compensatory Time differs from a Schedule Adjustment. (More information on Adjusted Schedules can be found in the [DCS Work Hours and Schedule policy](#).)
- b. **Overtime-Eligible Employee:** An employee must be paid for overtime, unless he/she elects in writing to receive Compensatory Time Off. Refer to the [DCS Overtime Policy](#) for more information.
- c. **Overtime-Ineligible Employees:** An employee who does not receive overtime pay or compensatory time off (except in extraordinary circumstances). Refer to the [DCS Overtime policy](#) for more information.
- d. **Overtime:** Actual time worked in excess of 40 hours per work week for an **overtime-eligible employee**.

II. REFERENCES

- a. [DCS Overtime policy](#)
- b. [DCS Work Hours and Schedule policy](#)
- c. [Fair Labor Standards Act \(FLSA\)](#)
- d. [Financial Management Circular 2004-2](#)

III. POLICY

- a. According to the Federal [Fair Labor Standards Act \(FLSA\)](#), employee timesheets must reflect the actual time worked. It is a violation of [FLSA](#) for any employee to work but not record the time on his/her timesheet or to record time that was not actually worked.
- b. **Overtime-Eligible Employees**
 - i. An **overtime-eligible employee** may request and, upon approval by the **work unit manager**, be granted **compensatory time off** in lieu of monetary payment for the overtime. Once **compensatory time off** is requested, the employee cannot change his/her mind and request monetary payment. Management reserves the right to pay overtime when operational needs prevent granting compensatory time off.

- ii. An overtime-eligible employee choosing compensatory time off will be granted 1 hour of compensatory time off for every hour worked in excess of 37.5 hours in any given work week for up to 40 hours worked. The individual will receive 1.5 hours of compensatory time for every additional hour worked above and beyond 40 hours.
- iii. An overtime-eligible employee shall be permitted to use accrued compensatory time off within a reasonable period after making a request, if the use of such time does not disrupt the operations of the agency.
- iv. All compensatory time off earned by overtime-eligible employees must be scheduled and taken prior to the end of the calendar quarter following the quarter in which the overtime was earned. Compensatory time off that is not used within this period will be compensated monetarily.
- v. Overtime-eligible employees may accrue no more than 240 hours of compensatory time off at any given time. Once the limit is reached, any additional overtime worked must be compensated monetarily.
- vi. Upon termination or interagency transfer, unused compensatory time off shall be paid to the overtime-eligible employee at the greater of:
 1. the average regular hourly rate received by such employee during the last three (3) years of employment, or
 2. the final regular hourly rate received by such employee.

c. **Overtime-Ineligible Employees**

- i. The state has no legal obligation to provide compensatory time off to overtime-ineligible employees.
- ii. Overtime-ineligible positions carry responsibilities that may require more than the regularly scheduled number of hours per week. Therefore, Overtime-ineligible Employees should not expect compensatory time off.
- iii. These additional hours are not considered compensable; thus, should not be recorded on the [Employee Attendance Report](#) as “Other Compensable Hours Worked” (See Section IV-f for details).
- iv. Compensatory time off for overtime-ineligible employees is reserved for extraordinary circumstances. As such, only the DCS Director or his/her designee may authorize compensatory time off in accordance with State Personnel rules and [Financial Management Circular 87-2.1](#).

IV. PROCEDURE

- a. All compensatory time off may be used in quarter-hour (15-minute) segments..
- b. Requests by overtime-eligible employees for compensatory time off in lieu of overtime pay and approval must be made in writing, preferably prior to working the overtime . If the request is not made prior to working the overtime, it must be made no later than the end of the pay period. Email is acceptable.
- c. All employees who use comp time must complete the [Employee Compensatory Time Work Sheet](#) to record of the number of hours worked and the number of compensatory hours used.
 - i. The supervisor must initial the “Balance Forward” line on the work sheet each time the balance is adjusted. All signatures and initials are to be in blue ink.

- ii. The original work sheet is to be retained by the employee.
- d. **Compensatory time off** earned and used must be reported on the [Employee Attendance Report](#). An updated copy of the [Employee Compensatory Time Work Sheet](#) should be submitted with the attendance report anytime **compensatory time off** is used.
- e. **Compensatory time off** may not be used after an employee has given notice of intent to terminate or transfer to another agency.
- f. Additional hours worked by **overtime-ineligible employees** are not considered compensable; thus, should not be recorded on the [Employee Attendance Report](#) as “Other Compensable Hours Worked”. Instead, a note regarding additional hours worked is to be made in the comments section of the report.

V. FORMS AND OTHER DOCUMENTS

- a. [Employee Attendance Report](#)
- b. [Employee Compensatory Time Work Sheet](#)

DATE: 06/13/05
James W. Payne, Director
Department of Child Services

A signed copy is on file.

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