

Adopted: May 14, 2015

Revised: \_\_\_\_\_

**Success Academy POLICY No. 4.3.2**  
**SALARY AND WAGE COMPENSATION SYSTEM**

**I. PURPOSE**

It is the purpose of this policy to define the statuses of employment and the terms by which an employee may receive overtime and compensatory time.

**II. POLICY STATEMENT**

Success Academy will pay wages and salaries as required by law and this policy.

**III. DEFINITIONS OF EMPLOYMENT STATUS**

- A. Full-time regular employees are generally scheduled to work 40 hours per week.
- B. Part-time regular employees are generally scheduled to work less than 40 hours per week. They may be expected to be available to work additional hours beyond their normal schedule, during peak periods, and to fill in for absences.
- C. Temporary employees are hired short term, usually less than one year. They may work full or part-time depending upon the nature of their assignment. Temporary employees are not eligible for benefits.
- D. Hourly (non-exempt status) employees are eligible to receive overtime for hours worked in excess of 40 hours in a week. Overtime is paid at time and a half regular rate for the hours over 40 that are actually worked in a week.
- E. Salaried employees receive a set salary. Salaried employees who also have exempt status routinely work more than 40 hours per week but receive no extra overtime pay. Exempt employees may be subject to different pay provisions for time off work than hourly employees and exempt employees' pay is not subject to reduction for working less than 40 hours per week, except in certain situations authorized by the Fair Labor Standards Act.

**IV. OVERTIME**

- A. Overtime Calculation and Payment.

1. Any overtime must be at the request of the employee's supervisor and approved in advance.
2. Overtime is paid to non-exempt employees for all hours worked exceeding 40 hours per week at a rate of one-and-a-half times the employee's regular hourly rate. Only those hours that the employee actually works will be included in the calculation. This means that holidays, vacations or sick days are not counted as hours worked for this purpose.
3. There may be occasions when work hours are exchanged on an hour-for-hour basis *during the same payroll week*. If an employee works more hours than their normal schedule, any day during a week, the employee's supervisor may ask an employee to reduce their hours on another day during the same week, so the total hours do not exceed 40 for that week.

## V. COMPENSATORY TIME

- A. Success Academy may choose to allow non-exempt employees to accrue and use compensatory time off in lieu of pay for overtime hours worked. The business needs of Success Academy will dictate the use of compensatory time.
- B. To provide an employee with compensatory time, the appropriate supervisor must arrive at an agreement or understanding with an employee that compensatory time will be granted for overtime hours worked instead of cash compensation. Such an agreement or understanding must be reached prior to the performance of the work, and must be entered into voluntarily by the employee. The compensatory agreement or understanding should be in writing and Success Academy does not have to adopt the same compensatory time agreement or understanding with all non-exempt employees.
- C. Compensatory time is subject to the following requirements:
  1. Compensatory time must be credited to the employee at a rate of time and one half for all hours worked over 40 in a work week.
  2. Accrued compensatory time may not exceed 240 hours (160 hours of overtime worked).
  3. When an employee has reached a maximum accrual of 240 hours of compensatory time, all additional overtime hours must be *paid* at the overtime rate of one and one half times the employee's regular rate of pay.
  4. Upon termination of employment or at retirement, compensatory time must be paid in a lump sum.

D. Compensatory time may be accrued only for overtime which is actually worked and documented on employee timesheets.

## **VI. OVERTIME REQUIREMENTS**

A. It is important for supervisors to monitor overtime and compensatory time violations. If employees fail to adhere to overtime and compensatory time guidelines, including, but not limited to, working overtime without approval or falsifying timesheets, disciplinary action will be taken. All overtime work must be compensated, regardless of whether or not it was approved.

B. Neither employees nor Success Academy may waive their rights or obligations under the Fair Labor Standards Act or agree to accept less or pay less than the required overtime rate.

***Legal Reference:*** 29 U.S.C. §§201-219 (Fair Labor Standards Act)