

Accurate Timekeeping: Supervisor's Guide

The following information is intended as a user guide for the UArizona Fair Labor Standards Act and Overtime Policy. This information does not modify, replace, or supersede that policy. To the extent this guide is inconsistent with the UArizona Fair Labor Standards Act and Overtime Policy, the policy controls.

As a supervisor, ensuring your employees are paid accurately and in a timely manner is an important part of your responsibilities. This guide provides some helpful tips and information you can use to help make sure employees are accurately reporting their time.



The Fair Labor Standards Act (FLSA)

The FLSA is a federal law governing minimum wage, overtime pay, and record-keeping requirements. Contained within this law are the definitions of exempt and non-exempt work. At UArizona, the HR-Compensation department classifies all University staff positions as either exempt or non-exempt based on the following criteria. More information on UArizona's FLSA and Overtime Policy can be found [here](#).¹

Nonexempt (hourly)	Exempt* (salary)
<ul style="list-style-type: none"> • Must be paid for all hours worked • Must be paid, at least, the federal minimum wage • Must be compensated at 1.5x their hourly rate for all hours worked over 40 in a workweek 	<ul style="list-style-type: none"> • Must be paid a minimum of \$684 per week • Must be paid on a salary basis • Must meet the requirements of <u>one</u> of the FLSA "duties" tests

*If a position does not meet all of the above requirements the position **MUST** be classified as nonexempt/hourly.



What is "Paid" Time?

Regular Hours	The hours an employee is regularly scheduled to work.
Overtime	Time worked by nonexempt (hourly) employees over the employee's regularly scheduled hours, based on the employee's FTE. At UArizona, these hours are typically paid as comp time (see below).
Travel	Work-related travel during regular business hours, please see Rest Breaks & Travel section below for additional information on paid travel.
Training	Work-related training is compensable (paid) time, <u>unless</u> attendance is voluntary, outside of regular work hours, the training is not required for your specific job, and the employee does not perform any productive work during the training.

¹ <https://policy.arizona.edu/employment-human-resources/fair-labor-standards-act-and-overtime-policy>

Preparation/Transition Time

Time spent by employees preparing for the beginning and ending of a shift, such as donning or removing required PPE.



Overtime & Comp Time

All hours worked over a nonexempt employee's FTE are considered overtime. Overtime is compensated as regular pay or as Compensatory Time (Comp Time). The University pays overtime at two different rates – straight time and time and one half – depending upon the number of hours worked by an employee in a workweek.

Supervisor Responsibilities

- Supervisors/Managers are responsible for scheduling and approving overtime in advance of the hours being worked.
- It is the supervisor's responsibility to ensure assigned employees understand the departmental and University overtime policies.
- Overtime should only be approved and worked after other alternatives have been explored, such as rescheduling priorities, reassigning work, re-balancing workloads, offsetting hours during the same workweek, and revising the schedule.
- If unplanned or unapproved overtime occurs, employees must still be paid for the hours worked.
- Supervisors must address and remedy situations where employees continually work unapproved overtime. Remedies may include disciplinary action.

What is a workweek?

- The University workweek begins on Monday at 12:01 a.m. and ends on Sunday at 12:00 midnight.

Overtime

- All hours worked beyond a nonexempt employee's regularly scheduled hours in a workweek are considered "overtime."
- Overtime is compensated as regular pay or as Compensatory Time ("Comp Time").
- An employee's regularly scheduled hours are determined by the employee's **Full Time Equivalency (FTE)**. For example, a 1.0 FTE employee is regularly scheduled to work a 40-hour workweek and a .5 FTE employee is regularly scheduled to work a 20-hour workweek.

UArizona has two types (or rates) of Overtime:

Straight Time Overtime

- Overtime is paid at the employee's regular rate when a nonexempt employee works more than their assigned FTE, but less than 40 hours in a workweek.
- Example 1: A .5 FTE employee works 30 hours in a workweek. The employee receives overtime at the regular rate for 10 hours of Straight Time overtime work.

Time and one half (1.5x) Overtime

- Overtime is paid at 1.5x the employee's regular rate when a nonexempt employee works more than 40 hours in a workweek.
- Example 1: A 1.0 FTE employee works 50 hours in a workweek. The employee receives overtime compensation at a rate of 1.5x the employee's regular rate of pay for 10 hours of overtime.
- Example 2: A .5 FTE employee works 50 hours in a workweek. The employee receives overtime at the regular rate for 20 hours of Straight Time overtime (i.e., hours worked above FTE, up to 40 total hours) and overtime at a rate of 1.5x the employee's regular rate of pay for 10 hours of time and one half overtime (i.e., hours worked over 40 total hours).

Compensatory Time (Comp Time)

- In lieu of receiving overtime in regular pay, UArizona prefers to pay overtime as Compensatory Time (Comp Time). Comp Time is accrued at either the **straight time** or **time and one half** rate depending on the total number of hours the employee worked in the workweek. Accrued Comp Time is paid time off, similar to vacation time. When an employee separates from the University or moves to a position with exempt status, any accrued Comp Time must be paid out.



Time Reporting

Nonexempt (hourly)

- Must report ALL hours worked. Known as Positive Time Reporters at UArizona.
- Hours recorded must reflect the actual hours worked in that workweek. Hours cannot be averaged or transferred across workweeks.
- Employees must enter their time and the supervisor/designee must approve the timesheet by the published payroll calendar deadlines or the employee's pay will be delayed.

Exempt (salary)

- Known as Exception Reporters
- Only record deviations from their normal work hours, such as vacation time, sick time, and other paid and non-paid time off.
- Exceptions must be approved according to published payroll calendar deadlines.

Please see the payroll calendar on the FSO payroll webpage [here](#)² for time reporting dates.



Rest Breaks & Travel:

The following applies to nonexempt (hourly) employees

Rest Breaks & Meal Periods

- Short rest breaks (15 minutes or less) are considered compensable (paid) time.
- Short rest breaks cannot be skipped as a way of shortening the employee's workday.
- **Uninterrupted** meal periods of 30 minutes or more are unpaid time. The University typically provides employees with an unpaid one-hour meal break.

Travel Time

- Home to work travel is NOT compensable (paid) time.
- Travel between job sites during the normal workday is compensable (paid) time, as it is part of the employee's workday.
- Please reach out to your college/division HR-Compensation representative for direction on how employees should record travel away from the home community.



Questions?

Please contact HR - Compensation at compensation@arizona.edu with any questions regarding the FLSA.

²<https://www.fso.arizona.edu/payroll>