I. Purpose
The purpose of this policy is to provide uniform guidelines for the accrual, use, and payment of compensatory time.

II. Scope
All EPA and SPA employees holding permanent, probationary, trainee, and time-limited appointments are covered by this policy. Temporary EPA and SPA employees are paid for time worked and do not accrue compensatory time. Neither permanent nor temporary academic year faculty accrue compensatory time and are not covered under this policy.

III. Policy
Compensatory time may be accrued by any SPA or EPA employee with the exception of SAAO Tier I EPA employees and nine month academic year faculty. The following rules govern the accrual, disposition, and required record keeping of compensatory time.

A. Accrual/Expensing of Compensatory Time for SPA and EPA Wage-Hour Subject Employees

All employees who are designated as wage-hour subject under the Federal Fair Labor Standards Act (FLSA) must record all hours worked and must receive extra compensation for hours worked in excess of their regular schedule. It is State and university policy to give time off in lieu of monetary compensation except as required below.

Hours worked in excess of the employee’s regular schedule fall into two categories: extra hours at straight time (gap hours) and extra hours at time and a half (overtime hours).
1. Gap Hours
   a. Gap hours are extra hours worked outside of the regular work schedule that do not result in the employee physically working more than 40 hours in the workweek. This is known as gap hours compensatory time.

   Examples of gap hours can be found at the following link:
   [http://www.uncw.edu/hr/policies.html](http://www.uncw.edu/hr/policies.html)

   b. Gap hours also occur for permanent FLSA-subject employees whose regular work schedule is less than 40 hours. Extra hours worked during the university workweek that do not reach the 40 hour threshold for overtime would be compensated at straight time (gap hours).

   c. Gap hours compensatory time may be accrued for a maximum of 12 months or 240 hours. At any point that gap hours compensatory time exceeds 240 hours, the excess must be paid in the next payroll cycle. Also, any gap hours compensatory time that is not taken within 12 months of the month it is earned, must be paid.

2. Overtime Hours
   a. Overtime hours are hours worked by FLSA-subject employees in excess of 40 in the university designated workweek must be compensated at time and one half.

   b. Overtime compensatory time may be accrued for a maximum of 12 months or 240 hours. At any point that overtime compensatory time exceeds 240 hours, the excess must be paid in the next available payroll. Also, any overtime compensatory time that is not taken within 12 months of the month it is earned, must be paid in the next payroll cycle.

   c. The hourly rate of pay is obtained by dividing the annual salary by 2080 hours (52x40), prorated if less than full time. The hourly rate used in computing overtime must include all remuneration for employment paid to, or on behalf of, the employee, except payments specifically excluded by the FLSA. Payments that are not excluded and must be included in the hourly rate are: (a) Shift Premium Pay (b) Longevity (c) On-Call Compensation. These payments must be included in order to comply with the provisions of the FLSA. The adjusted overtime rate of pay due to Longevity pay will be made once a year.

   d. In order to calculate the overtime rate correctly, overtime shall be paid whenever employees earn shift premium and/or on-call pay in the same pay period as overtime. When overtime is to be paid, the time sheet reflecting the number of hours to be paid must be forwarded to Payroll by 3:00 p.m. on the third working day of the month.

3. If compensatory time is earned, the department must elect one of the following options as an operating standard:
a. Option 1
Compensatory time will be taken the month it is earned or the following month, or it will be paid on the next payroll cycle. This option promotes careful monitoring of comp time by supervisors. If the department has elected this option, upon an employee’s request, an exception may be made to allow a specific employee to use Option 2. Requests for exception must be made in writing by the employee and approved by the supervisor.

Option 2
Compensatory time may be accrued for a maximum of 12 months or 240 hours. At any point that compensatory time exceeds 240 hours, the excess must be paid in the next payroll cycle. Also, any comp time that is not taken within 12 months of the month it is earned must be paid. If at any time an employee has built up an exceptional amount of comp time, a department that has elected this option may make an exception to pay all or part of the comp time rather than award time off. Departments may manage comp time by requiring the employee to take the time off.

All unused comp time for wage-hour subject employees must be paid when the employee separates from the university. It must also be paid by the department where the comp time was earned if the employee transfers to another department within the university (unless the receiving department agrees to accept the comp time.)

B. Accrual/Expensing of Compensatory Time for SPA and EPA wage hour exempt employees (except nine month academic year faculty and SAAO Tier I EPA employees).

Divisions/Departments must make an election as to whether exempt employees will accrue and track comp time, or use professional scheduling to balance work time. The options are:

1. Option 1 - Track Exempt Comp Time
   Neither the FLSA nor State policy requires compensation for hours worked in excess of the employees’ regular schedule be compensated in any way. However, management may allow exempt employees to track hours worked in excess of their regular schedule and accrue time at no more than an hour-for-hour basis. Hours accrued:
   a. may be taken with supervisory approval
   b. are accrued for a maximum of 12 months, then forfeited
   c. are never paid

2. Option 2 - Utilize Professional Scheduling
   The university seeks to provide the opportunity for exempt employees to balance their professional and personal commitments. It is understood that a
full-time exempt employee will work a minimum of 40 hours per week; however, in the scope of exempt employees’ normal jobs, work outside the usual schedule is often required. This might include evening meetings, extended travel, or work hours well beyond 40 in a given week. In utilizing professional scheduling, exempt employees may (and with supervisory approval) come in later than usual, take additional lunch time, or leave work early to provide some balance to work time and personal time without having to take vacation, sick, or bonus leave. While all employees who earn leave must keep records of when they use part of the leave balances, professional scheduling does not require extra record keeping.

C. Use of Compensatory Time
Overtime compensatory time and gap hours compensatory time shall be taken before any vacation or bonus leave. Hours worked in excess of the employee’s established work schedule must be used to offset sick leave used in the same overtime period. Leave will be restored to the employee’s balance for later use. See Policy 08.213 Sick Leave. All use of compensatory time requires supervisory approval. Overtime compensatory time cannot be denied to an employee unless the compensatory time off will unduly disrupt university operations. Supervisors may also, based on business needs, schedule the use of comp time for employees.

D. Record Keeping
Compensatory leave is requested, recorded, and records are maintained according to guidelines in Policy 08.210.

IV. Special Provisions for Law Enforcement
The term law enforcement activities refers to any employee (1) who is a uniformed or plainclothes member of a body of officers and subordinates who are empowered by statute or local ordinance to enforce laws designed to maintain public peace and order and to protect both life and property from accidental or willful injury, and to prevent and detect crimes, (2) who has the power of arrest, and (3) who is presently undergoing or has undergone or will undergo on-the-job training and/or a course of instruction. Not included in the term “employee in law enforcement activities” are the so-called “civilian” employees of law enforcement agencies or correctional institutions that engage in such support activities as those performed by dispatchers.

Because of the varied nature of law enforcement activities, Wage and Hour Law permits a 28 day work period. UNCW has elected the 28 day work period. The following provisions apply:

(1) The “work period” will consist of 28 consecutive days. In the work period of 28 consecutive days the employee shall receive, for tours of duty, which in the aggregate exceed 171 hours, compensation at a rate of one and one-half times the regular hourly rate at which employed. The regular hourly rate is the rate computed on a 40-hour basis plus shift premium pay, if any.)
(2) Under these provisions, nonexempt persons in law enforcement positions who work more than 171 hours in a 28 consecutive day work period may be given compensatory time off in lieu of cash payment for these overtime hours worked.

(3) Overtime compensatory time off earned must be used no later than 180 days from the date the compensatory time off was earned.

(4) Overtime compensatory time off earned but not used within 180 days from its being earned must be paid for in cash in the first pay period following the expiration of the 180 days.

(5) Employees cannot accumulate more than 480 hours of compensatory time. Any compensatory time earned in excess of 480 hours must be paid in cash as earned.

See the “Gap Hours” section of this policy for provisions on how to compensate for hours worked between 160 and 171.