

PAYMENT AND COMPENSATORY TIME FOR OVERTIME WORK

In accordance with Appropriation Acts for the separate campuses and other units of the University of Arkansas, as well as Ark. Code Ann. § 6-63-308, the University is authorized to pay overtime in critical circumstances, to employees who are non-exempt under the Fair Labor Standards Act (“FLSA”). Nevertheless, Ark. Code Ann. § 19-4-1612(a) provides:

It is the policy of the State of Arkansas that overtime pay for state employees is the least desirable method of compensation for overtime work.

In the event an employee who is non-exempt under the FLSA must work overtime, every effort must be made to grant the employee compensatory time off rather than make payment for the overtime work. Compensatory time is accrued at a rate of one and one-half hours for every hour of work performed in excess of 40 hours in any workweek. For employees whose normal work period is a 40-hour workweek, the maximum accumulation of compensatory time off may not exceed 240 hours. For fire protection or law enforcement employees who are not on a regularly scheduled 40-hour workweek, the maximum accumulation of compensatory time off may not exceed 480 hours. If employees exceed the maximum hours in accumulated compensatory time, they must be compensated in cash payment for any hours in excess of the maximum. Compensatory time off must be taken prior to termination of employment. The termination date shall not be extended for the purpose of compensating in wages for unused time off.

If the department head or appropriate supervisory authority determines that granting compensatory time off to the employee creates a hardship, then monetary compensation for the overtime work may be authorized. Each campus or unit must request authorization from the campus or unit chief fiscal officer prior to paying overtime. An employee who is authorized to work overtime hours shall be paid at the rate of one and one-half times the employee's regular hourly rate for each hour of over-time work.

Supervisory approval must be granted in advance of an employee's working overtime hours, and documentation of the reasons for approval must be retained for audit purposes within the supervisory office granting such approval. Employees who work overtime without obtaining express, advance approval may be subject to disciplinary action, including, but not limited to, termination of employment.

Campus administrators should note that Ark. Code Ann. § 6-63-308 provides certain annual restrictions on total overtime pay as a percentage of annual salaries, which vary somewhat for UAMS and for all other institutions of higher education.