New UI Comp Time Policy – DRAFT

1) At the beginning of each year, all eligible classified employees have the opportunity to make an irrevocable election to decide to accrue overtime into a comp time bank instead of receiving cash payment for overtime hours worked.

2) Employees that do not make an election during the open enrollment period will default to receive overtime pay when earned.

3) Open enrollment will occur prior to the beginning of the calendar year in conjunction with the Employee Health Plan Open Enrollment Program. The employee election will begin on the first payroll of each calendar year.

4) Employees hired during the year must make an election within 30 days of their employment start date or default to receive immediate cash payment for overtime hours worked. Elections made by employees hired during or after the open enrollment, but prior to the new calendar year, will carry through the next calendar year.

5) All eligible classified employees who elected to accrue overtime into a comp time bank are allowed to accumulate a maximum of 240 overtime hours. Any comp time hours earned over the 240 hour maximum level will be paid in cash in the next available pay period.

6) Comp time hours banked can only be taken as time off and must be pre-approved by their Supervisor / Manager.

7) 100% of existing Comp time hours banked must be paid out in cash when:
   a. The employee moves from a classified position to a non-classified position or
   b. When the employee leaves the university.

8) The University has directed each unit to provide an annual one-time payment from their departmental funds to eligible classified employees that elected to accrue overtime into a comp time bank. This annual cash payment will only apply to those employees that have comp time hours banked in excess of 80 at the end of payroll 25 of each calendar year. The payment will reduce the employee’s comp time bank to the 80 hour maximum carry forward balance and be paid in payroll 26.

Examples:

A. Employee A works overtime and accrues 5 hours of comp time over the 240 hour threshold during the current pay period. The next paycheck for the employee will include an automatic payout of 5 hours to keep the CT bank at or below 240 hours as required by FLSA.

B. Employee B works overtime that accrues to comp time and at the measurement date has 110 hours banked. The employee will receive an automatic cash payment for 30 (110 – 80) hours of comp time in payroll 26.

C. Employee C works overtime that accrues to comp time and periodically takes time off. On the measurement date the employee has 60 hours of comp time banked and therefore will not receive an automatic cash payment because the hours banked are less than the 80 hour maximum carry forward.

D. Employee D makes no election during the open enrollment period and therefore will default to be paid in cash for all overtime hours worked for the remaining calendar year.

E. Employee E works overtime in year 1 and accrues 50 comp time hours to a bank. For year 2, Employee E elects to be immediately paid in cash for overtime hours worked. Employee E will continue to carry forward the
50 hours banked that must be taken as time off. The employee cannot request a cash payment for the 50 hours banked.

F. Employee F elects to accrue comp time for calendar year 2015 and ends the year with 150 hours of comp time in their bank. For calendar year 2016, the employee instead elects to receive cash payment for overtime hours when worked. During January through November, the employee uses 50 hours of their existing comp time as paid time off and has 100 hours remaining in their comp time bank as of payroll 25. The employee will receive an automatic cash payment for 20 (100-80) hours of comp time in payroll 26.

**November 2014 thru December 2015 - Implementation and Transition**

1. Conduct town hall meetings the with University employees sometime within the first 2 weeks of November to discuss the new comp time policy.

2. During the December 2\textsuperscript{nd} Faculty Senate meeting, provide them with a final draft of the comp time policy that General Counsel has approved.

3. Following the December 2\textsuperscript{nd} Faculty Senate meeting, General Counsel will take the new comp time policy to President Staben for approval.

4. Once approved by the President, the Classified Employee Overtime Election Form will be made available in VandalWeb around December 3, 2014 – January 9, 2015 for all Classified Employees to make their annual election to be paid in cash for overtime times hours worked or to accrue overtime hours into a comp time bank.

5. Beginning January 4, 2015, the University’s new comp time policy will take effect, pending approval by Faculty and President Staben.

6. In order to properly record comp time hours accrued, the following action items will be implemented in Banner Payroll in January 2015.
   
   a. A second comp time (CT Bank 2) will be created in Banner Payroll to record and report on any comp time hours earned after January 4, 2015
   
   b. A new comp time leave code will appear on employee time sheets to record any usage of comp time hours earned during calendar year 2015 under the new comp time plan.

7. The original comp time bank (CT Bank 1) will remain in order to provide employees who still have comp time hours available in CT Bank 1 the option to either use as time off or elect a cash payment. Please note that all comp time hours existing in CT Bank 1 will remain tax free when used as time off or paid in cash. These comp time hours were deemed taxed in prior years resulting from the outcome of the recent IRS audit.

8. Immediately following payroll 25 in 2015, a special Banner Payroll report will be generated to identify all classified employees with hours in CT Bank 2 that exceed the 80 maximum carryover. All comp time hours in excess of 80 will be added to the next payroll process and paid out in cash in payroll 26. Please note that all comp time hours existing in CT Bank 2 will be subject to payroll tax withholding when used as time off or paid in cash per IRS.

9. These one-time cash payouts will occur annually in payroll 26 of each calendar year.

**Comp Time usage scenarios under the new plan but with both Comp Time banks in existence.**

A. In February 2015, Employee A has accumulated 50 hours in CT Bank 1 and 20 hours in CT Bank 2. They elect take time off for a week and choose to report these 40 hours of comp time used from CT Bank 1.
Because the 40 hours were taken from CT Bank 1, the employee will be paid these comp time hours with no payroll taxes withheld.

B. In March 2015, Employee B has accumulated 30 hours in CT Bank 1 and 40 hours in CT Bank 2. They elect take time off for a week and choose to report 30 hours of comp time used from CT Bank 1 and 10 hours from CT Bank 2. The 30 hours taken from CT Bank 1 will be paid with no payroll taxes withheld and the 10 hours taken from CT Bank 2 will be subject to payroll tax withholdings.

C. In April 2015, Employee C has accumulated 20 hours in CT Bank 1 and 60 hours in CT Bank 2. They elect take time off for a week and choose to report all 40 hours of comp time used from CT Bank 2. Because the 40 hours were taken from CT Bank 2, these comp time hours taken will be subject to payroll tax withholdings.