A. General. The federal Fair Labor Standards Act (FLSA) provides guidance to define what constitutes overtime work. By definition, overtime is time worked on holidays and time worked in excess of 40 hours in a period of 168 consecutive hours beginning at 6:00 a.m. each Sunday workweek and compensated at not less than time and one-half the employee's regular rate of pay.

A-1. Primary and Secondary Positions. Every employee must have one position designated as the "Primary" position. An employee may have one or more "Secondary" positions. When an employee holds a board-appointed position, that position is the "Primary" position. [Note: For employees holding two part-time Board-appointed positions, it is necessary to designate one of these jobs as "Primary" and the other as "Secondary".]

A-2. Overtime Eligibility. (see FSH 3460 A-4 or E-1). Three forms in Banner deal with the designation of when, if, and where overtime is generated by a particular employee. Completion of these forms enables Banner payroll processing to automatically calculate overtime or compensatory time when overtime work is entered by the timekeeper for a particular employee and approved by the employee's supervisor. Specifically, these forms include:

i) PTRECLS Form. The PTRECLS form defines the employee classes. One of the parameters in the definition of each class is whether or not the class is covered by FLSA overtime regulation.

ii) PEAEMPL Form. The PEAEMPL form makes a "General Person" an employee. During the process of entering the PEAEMPL form, the employee is assigned to an employee class (from PTRECLS) and an FLSA indicator of (C)ash, (A)ccrual, or (N)one is selected (indicating whether or not overtime compensation is to be paid, and the form in which it is to be paid).

iii) NBAJOBS Form. The NBAJOBS form assigns a position/suffix to a person designated as an employee.

a) When an employee has one job, that job is "primary".

b) When an employee has one board-appointed job and one temporary help (TH) job, the Board-appointed job is "primary" and the TH job is "secondary".

c) When an employee has two or more board-appointed jobs, or two or more TH jobs, one must be designated as "primary" and all others as "secondary".

B. Process. The amount of overtime compensation, and whether it is compensated in cash or in compensatory time, are calculated automatically by Banner for eligible employees when departmental timekeepers enter the time worked for each employee (see FSH 3460 E-1 for eligibility) as part of the payroll processes from time entered by the employee and approved by the employee's supervisor.

B-1. Overtime eligible (classified employee class) may make an irrevocable election each year to opt out of accruing compensatory time rather than receive payment for overtime worked as it is earned. On-call hours are compensated at hour-for-hour and will be subject to the employee's election of compensatory time or cash payment.

i) An election period will coincide with the yearly open enrollment for health benefits.

ii) Employees will make their election via VandalWeb during the election period.

iii) The election made will begin with the first payroll period of the new calendar year following the enrollment period.

iv) Newly hired employees will have 30 days from their initial employment start date to make their election for the remaining calendar year they are hired. An initial election made during the election period will also apply for the ensuing calendar year.
B-2. Employees who do not elect compensatory time will default to cash payment for overtime hours worked in the payroll period it was earned. No exceptions can be made for the elections not made during the enrollment period.

B-3. Whenever possible, the payroll calculation process charges overtime compensation to the Primary job’s budget. [rev. 11-06]

C. Procedure. Departmental timekeepers Employees enter hours worked as explained below. Banner payroll processing will calculate FLSA overtime payments depending upon the type of employee appointment and annual election.

C-1. Temporary Hourly (TH) and Board-Appointed Employees. Hours worked by these employees (and hours credited for holidays) are entered in every pay cycle by the employee into VandalWeb time entry. Time entry should be done daily to ensure the accuracy of time entered, departmental timekeeper or accrued on the time clock. Time entry begins Friday (payday) of Week 2 of the bi-week following the bi-week for which time is being entered, and ends at 5:00 p.m. on the following Tuesday, which is Week 1 of the subsequent bi-week.

C-2. Board-Appointed Employees. Time worked for board-appointed employees will automatically default from the work schedule set-up on the employee’s NBAJOBS form. Timekeepers enter hours of sick leave, annual leave, compensatory time, and overtime. Time entry begins Friday (payday) of Week 2 of the bi-week, following the bi-week for which time is being entered, and concludes at 5:00 p.m. on the following Tuesday, which is Week 1 of the subsequent bi-week.

D. Criteria. Banner payroll processing will produce different results for employees holding multiple positions (e.g. more than one TH position, more than one board-appointed position, or a combination of one board-appointed and one or more TH positions). The effects are explained, and illustrative examples are provided, in the sections indicated.

D-1. Employees Holding More than One Temporary Hourly (TH) Position. The payroll calculation process calculates the overtime compensation at a “blended rate” and charges that rate to the position designated as the primary position. The employee is compensated in cash. [See 50.10.E-1]

D-2. Employees Holding Both Board-Appointed and Temporary Hourly Positions. Overtime pay is charged to primary position (even if board-appointed) and the rate of pay is 1.5 times the "blended rate." The employee is compensated in cash. [See 50.10.E-2]

D-3. Employees Holding a single full-time Classified Position. These employees will accrue compensatory time or receive cash payment, determined by their annual election [See 50.10 B-2], at 1.5 times their hourly rate and compensatory time taken is charged to the budget from which their position is funded. [See 50.10.E-3] [rev. 11-06]

E. Information. Detailed explanations with examples are provided below to illustrate the effect of Banner payroll processing on employees in the different criteria listed in 50.10 (D).

E-1. Employees Holding More than One Temporary Hourly (TH) Position. General rule: If an employee (a) has more than one job, (b) is covered by FLSA overtime regulations, and (c) works more than 40 hours during a specified work week (6:00 a.m. on the first Sunday of Week 1 through 5:59 a.m. of the second Sunday of Week 2), the payroll calculation process calculates the overtime pay at a "blended rate" and charges that amount to the budget of the primary position. The following example illustrates the payroll calculation for an employee with more than one TH position.

Example: Employee Tom Thumb has two Temporary Hourly positions. The departmental timekeeper (or timekeepers, if the TH employee works in more than one department) has/have designated one of the TH positions as “primary”.

i) Assume:

a) The Primary position is paid at the rate of $10.00/hour from Budget BNB678
b) The Secondary position is paid at the rate of $5.00/hour from Budget UBX890.

c) Tom worked 20 hours each week in his primary position and 25 hours in week 1 and 20 hours in week 2 in his secondary position. In the PHAHOUR (the time entry) process, the following occurs:

ii) Timekeeper(s) do the following:

a) The timekeeper for the Primary position enters 40 hours on PHAHOUR for the two week period (@ 20 hours each week)

b) The timekeeper for the Secondary position enter 45 hours on PHAHOUR for the two week period (25 hours Week 1, 20 hours Week 2)

ii) During PHPCALC (the calculation process), the following occurs:

a) 40 hours are paid at $10.00/hour and charged to BNB678 = 400.00
b) 45 hours are paid at $5.00/hour and charged to UBX890 = 225.00

c) 5 hours are paid at a blended rate, $3.61, & charged to BNB678 = 18.06

The *blended rate is calculated by dividing the total pay in the week during which overtime was accumulated by the total number of hours worked during that week. The calculation is done automatically by Banner processing. In this case the calculation (with 45 hours worked in Week 1) would be:

\[
\begin{align*}
20 \times 10.00 &= 200.00 \\
25 \times 5.00 &= 125.00 \\
\text{Total Pay} &= 325.00 \\
\text{Total Pay/45} &= 7.22
\end{align*}
\]

[Note: The $7.22 rate is divided by 2 because "straight time" has already been paid from the budget where the overtime hours were accrued, therefore it is necessary only to pay the additional "one-half time" on the blended rate.]

iv) Please note the effects of the following actions by the timekeeper on the payroll calculation process for employees holding two TH positions:

a) If (1) Tom Thumb had no activity within one of these positions (e.g., did not work that bi-week in one of the TH jobs), and (2) the timekeeper deletes or ignores the record for that position from the PHAHOUR form at the PHPTIME process, and (3) overtime was worked in another position, then (4) the blended rate would not be calculated and; (5) the budget that incurred the overtime would be charged appropriately.

But, alternatively.....

b) If (1) Tom Thumb had no activity in the primary position, and (2) the timekeeper entered "0" for the hours worked (instead of deleting the record), and (3) overtime was worked in the secondary position then (4) the blended rate would not be calculated and (5) the overtime hours would be charged to the Primary budget even though the employee did not work on that budget during that bi-week.

E-2. Employees Holding Both Board-Appointed and Temporary Hourly Positions. General rule: Overtime pay is charged to the primary positions budget and the rate of pay is 1.5 times the "blended rate."

i) The PEAEMPL form requires that an employee have only one "employee class," thus the selection of "cash" or "compensatory time" applies to all jobs held by that employee--it is not possible to accrue compensatory time in one position (e.g., the classified position) and pay cash for overtime in another position (e.g., the TH position).

ii) Because TH employees cannot accrue compensatory time, the default procedure for employees in this situation requires all overtime to be paid in cash, regardless of whether the overtime is accrued on the board-appointed (classified) position or the TH position.
iii) Board-appointed positions are, by default, the "primary" positions. Overtime is generally charged to the primary position.

iv) Overtime is calculated at the blended rate and expensed to the primary job’s budget(s).

E-3. Employees Holding full-time Classified Positions Covered 1.5 Compensatory Time. General rule: These employees will accrue compensatory time. The timekeeper enters overtime in the pay period following the bi-week in which it was worked by entering the total hours worked under “REG” pay. The system will calculate the compensatory time earned and put it in the compensatory time “bank”.

Overtime Pay Information. Manual intervention is required to compensate in cash those employees who are covered by the wage and hour provision of the Fair Labor Standards Act (who receive overtime compensation or compensatory time at 1.5 times their hourly rate. Please call Payroll Services at 885-36133868 for questions. [rev. 11-06]