



## Time & Attendance System and the Overtime Policy

September 18, 2014

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## Agenda

1. History
2. Time System Implementation
3. Possible Solution
4. Options Recap
5. Next steps

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## History

District is more generous than laws require when paying overtime.

Fair Labor Standards Act says overtime paid only to FLSA non-exempt employees (~TAM 13 and below).

District pays overtime to FLSA non-exempt employees and many FLSA exempt employees (TAM 16 and below).

Fair Labor Standards Act says overtime paid only after working 40 hours in a week.

District pays overtime on a daily basis, after 7 or 8 hours worked, depending on work location.

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## History

Board of Commissioners approved reduction in number of employees receiving overtime compensation in 2010.

Employees in TAM 17 and TAM 18 pay grades no longer receive overtime compensation.

Instead, employees in TAM 17 and TAM 18 pay grades may receive Special Duty Compensation (one hour off for each extra hour worked).

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## Time System Implementation

BOC approved an electronic time & attendance system in May 2013.

Go-live is October 2014.

Main Office employees work 7 hour days and 35 hour weeks.

Overtime is earned on a daily basis, after 7 hours worked.

Plant employees work 8 hour days and 40 hour weeks.

Overtime is earned on a daily basis, after 8 hours worked.

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## Time System Implementation

Conscientious Main Office employees often come in early and leave late

Even though overtime must be pre-approved by supervisor, time system will pay overtime to early arrivers and late stayers (legal requirement), whether or not pre-approved.

District has two options:

- Option 1: scold the conscientious employees, or
- Option 2: address the overtime issue administratively

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## Possible Solution

Change overtime earned for 51 FLSA-exempt classifications from daily to weekly.

- Employees remain eligible for overtime, but employees at all locations must work 40 hours in a week before overtime is earned.
- If an employee is required to work more than 1.5 hours extra in a day, overtime is earned.
- If an employee is required to work a 6<sup>th</sup> or 7<sup>th</sup> day, overtime is earned.
- If an employee is required to make an extra trip (attend an evening meeting or event, or is called back to work), overtime is earned.

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## Possible Solution

- Special Duty Compensation for TAM 17 and TAM 18 adjusted to follow the same rules.
- No changes to overtime for FLSA non-exempt classifications (~TAM 13 and below, 29 classifications with 350 employees).
- No changes to represented job classifications.

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## Options Recap, Option 1:

Make no changes to current overtime policy

- Requires employees to change behavior
  - no early arrivals
  - no working late
- Additional costs if employees work overtime without permission
- Lower morale if conscientious employees disciplined for working unauthorized overtime

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## Options Recap, Option 2:

Change overtime policy

- Protects employees from being asked to work overtime without appropriate compensation.
- Protects District from claims that overtime was worked and should have been compensated.
- Permits employees to make adjustments to their work hours if management approves.
- Conscientious employees not demoralized.

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## Next Steps

- Board letter on October 2 to recommend policy and Personnel Rule change.
- Following BOC approval, letter to Civil Service Board to recommend Personnel Rule change.
- January 1, 2015 effective date.

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## Discussion

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