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GENERAL CIRCULAR NUMBER 2014-010

DATE: April 16, 2014

TO: Heads of State Agencies and Human Resources Directors

SUBJECT: Caps and Required Payment for Overtime for FY 2013-2014

This general circular is being sent to provide information and to remind human resources officers and agency appointing authorities of the requirements on the caps and the payment of compensatory leave for eligible employees in accordance with Chapter 21 of the Civil Service Rules.

Under Civil Service Rule 21.11, there is no limit on the amount of State Overtime (straight time or time earned at the hour-for-hour rate) that can be accrued by an employee. However, only 360 hours of accrued State Overtime can be carried forward to the new fiscal year for each employee. For example, if an employee has accrued 400 hours of State Overtime as of June 30, 2014, the 40-hour difference between 400 and 360 cannot be carried forward. Whether the agency is liable for the compensation of the 40 hours will depend on two things:

- the Fair Labor Standards Act (FLSA) classification of the position for each employee; and
- the agency's policy regarding payment of compensatory leave for its FLSA Exempt employees.

Based upon the agency's determination of FLSA classification for its positions, the options for payment of hour-for-hour compensatory leave in excess of 360 hours are as follows:

FLSA Non-Exempt Employees:

Payment for hour-for-hour compensatory leave (State Overtime) in excess of 360 hours **shall** be paid no later than September 30, 2014, in accordance with Civil Service Rule 21.11(b).

FLSA Exempt Employees:

Payment for hour-for-hour compensatory leave in excess of 360 hours **may** be paid. If the agency elects to pay the excess leave, it must be paid no later than September 30, 2014, in accordance with Civil Service Rule 21.11(c). If the agency chooses not to pay this compensatory leave balance, the leave must be cancelled.

Please note that the employee's hourly rate of pay shall be calculated in accordance with Civil Service Rule 21.5(a). The HR Handbook also provides information regarding the Method of Compensation for Overtime Hours which HR officers can review for guidance. Agencies should also review their policies governing the accrual and payment of compensatory time.

For LaGov HCM Paid agencies, a report can be generated which shows the amount of overtime accrued by employees in their agencies. Please see <u>attached reporting notes</u> for specific information on this report.

For questions dealing with the payment of compensatory leave at the time and one-half rate (or FLSA overtime), refer to Civil Service Rule 21.10 and the Department of Labor's Wage and Hour Division website at http://www.dol.gov/whd/overtime_pay.htm, or contact DOL at 1-866-487-9243.

If you have any questions about the payment of hour-for-hour compensatory leave, or any other questions dealing with overtime, please refer to Chapter 21 of the Civil Service Rules or contact your Employee Relations Consultant at (225) 342-8274.

Sincerely,

<u>s/Shannon S. Templet</u> Director