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## GENERAL CIRCULAR NUMBER 2025-026

DATE: May 1, 2025

TO: Heads of State Agencies and Human Resources Directors

SUBJECT: Caps and Required Payment for Overtime for FY 2024-2025

This general circular serves as a reminder to 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 CSR 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 unless an exception has been granted under CSR 21.11(a). For example, if an employee has accrued 400 hours of State Overtime as of June 30, 2024, 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, 2025, in accordance with CSR 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, 2025, in accordance with CSR 21.11(c). If the agency chooses not to pay this compensatory leave balance, the leave must be canceled.

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

For questions dealing with the payment of compensatory leave at the time and one-half rate (or FLSA overtime), refer to CSR 21.10 and the Department of Labor's Wage and Hour Division website at <a href="http://www.dol.gov/whd/overtime\_pay.htm">http://www.dol.gov/whd/overtime\_pay.htm</a>, 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 <u>Elizabeth Montalbano</u>, HR Program Support Division Administrator, at (225) 342-8274.

Sincerely,

s/Byron P. Decoteau, Jr. State Civil Service Director