



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

September 7, 1984

PERSONNEL MANAGEMENT LETTER NO. 84-3 (550)

SUBJECT: Limit on Use of Compensatory Time Off

The purpose of this issuance is to clarify the Department's policy in regards to a fixed time limit for using compensatory time off.

It is stated in 370 DM 550,1.7, that compensatory time off should normally be taken within the same pay period or the pay period following the one in which overtime was performed. If this can't be done without detriment to the work, compensatory time off may be granted within six months of the time the overtime work was scheduled. If the employee fails to take the compensatory time off within six months, the employee loses rights to the compensatory time off and overtime pay unless the failure was due to an exigency of the service beyond his control. This regulation was written in accord with 5 CFR 550.114 and was not revised when Federal employees were included under the Fair Labor Standards Act (FLSA) in the early 1970's.

As a result of FLSA, FPM Letter 551-6, dated June 12, 1975, was issued and is still current. This letter applies to nonexempt employees only and specifically indicates that 5 CFR 550.114 does not apply to them. FPM Letter 551-6 states that the agency may use a cutoff date for use of compensatory time off, however, if the compensatory time off is not used within the time limit, the nonexempt employee is paid for the overtime work.

Therefore, nonexempt employees must be paid overtime pay for irregular or unscheduled compensatory time worked if compensatory time off is not taken within six months. Exempt employees who do not use compensatory time off within six months of the time the irregular or unscheduled overtime work is performed will continue to lose the compensatory time off and will not be paid overtime (unless an exigency of the service has prevented usage).

It is planned that 370 DM 550 will be revised in FY 85 which will include this clarification as well as other needed revisions.



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