

# OVERTIME

## Fact Sheet



Office of Human Resources



This fact sheet provides general information concerning the application of the overtime pay provisions to general schedule (GS) and administratively determined (AD) positions.

### DEFINITION

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Overtime pay is for hours of work officially ordered and approved in writing, in advance, in excess of 8 hours in a day OR 40 hours in a workweek.

### EMPLOYEE COVERAGE

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Employees covered by the provisions of the Federal Labor Standards Act (FLSA) and FLSA-exempt employees who work full-time, part-time, or intermittent tours of duty are eligible for overtime pay. Unless specifically exempted<sup>1</sup>, employees covered by the Act must receive overtime pay for all hours worked in excess of 8 hours in a day OR 40 in a workweek. Non-exempt employees can choose overtime or compensatory time. Senior Executive Service (SES) and AD employees earning more than \$155,500 are not eligible for overtime pay or compensatory time.

### OVERTIME RATES

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For employees with pay equal to or less than the GS-10, step 1, (currently \$56,857) the overtime hourly rate is the employee's hourly rate multiplied by 1.5.

Employees with pay greater than the GS-10, step 1, the overtime hourly rate is the **greater** of—

- (1) the hourly pay for GS-10, step 1, multiplied by 1.5, or
- (2) the employee's hourly rate of pay.

### PAY LIMITATIONS/CAP

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There is a biweekly limit on the amount of premium pay that can be paid during a pay period. Premium pay includes base pay, overtime, compensatory time **earned** (valued at the overtime rate) and balance carried over, night pay, Sunday premium pay, and holiday premium pay. GS employees can be paid up to the biweekly pay limit which is the equivalent of a GS-15, step 10, biweekly rate of \$5,960.80. AD employees with salaries in excess of the GS-15, step 10, are not eligible for overtime or compensatory time.

The biweekly pay limitation is also a ceiling on compensatory time off. Compensatory time off is merely an alternative form of payment for overtime work. As such, the value of an hour of compensatory time off is equal to the overtime hourly rate that is payable in dollars. Thus, the number of hours for which an employee may receive monetary overtime pay is also the number of hours of compensatory time off

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<sup>1</sup> FLSA exempt positions are designated as those positions whose primary duties are executive, administrative or professional in nature. No entitlement to overtime pay – management has right to compensate with compensatory time.

that may be credited in a pay period. An employee may not exceed the biweekly pay limitation by choosing compensatory time off as a substitute for monetary overtime pay.

## **CALCULATING OVERTIME AND/OR COMPENSATORY TIME EARNED**

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Assume the employee is a GS-13, step 10, with an annual salary of \$115,742, hourly salary of \$55.46, and biweekly gross of \$4,436.80. With the cap limited to \$5,960.80, the employee can earn up to \$1,524 each pay period. This difference equates to 27.5 hours of additional pay that could be earned by this employee. Anything over 27.5 hours would exceed the cap and would be lost. Additionally, the carry over of compensatory time is included in this total amount. So if the employee is currently carrying 27.5 hours of compensatory time he/she is not eligible to earn any further overtime or compensatory time. If the hours are reported in ITAS, either as overtime or compensatory time earned, DFAS will drop them when calculating pay.

## **EMPLOYEES UNDER ALTERNATIVE WORK SCHEDULES**

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Employees authorized to work flexible work schedules, and for whom credit hours are applicable, receive overtime pay only for excess hours which are not credit hours.

Employees authorized to work compressed work schedules earn overtime only for work in excess of the scheduled tour of duty (i.e., over 8 hours if their schedules day is an 8-hour day, 9 hours if it is a scheduled 9-hour day, etc.) or for time over 80 hours for the pay period.

Employees on flexible tours may earn credit hours instead of overtime/compensatory time, but full-time employees are only allowed to carry over 24 credit hours at the end of each pay period – additional hours will be dropped by both ITAS and DFAS.

**Please note:** ITAS will allow employees to earn overtime/compensatory time although the hours will be capped by DFAS; ITAS is a time and attendance system, capturing hours worked and leave taken – the system does not contain pay data.

### **References:**

Title 5 Overtime: <http://www.opm.gov/oca/pay/HTML/FACTOT.asp>

OPM Handbook on Flexible Tours: <http://www.opm.gov/oca/aws/html/flex.asp>

5 U.S.C. 5542 and 5 U.S.C. 5547

5 CFR 550.101-113