



DEPARTMENT OF HEALTH SERVICES HUMAN RESOURCES POLICY & PROCEDURE

TITLE: 201 – OVERTIME COMPENSATION

DATE ISSUED: DECEMBER 2, 2012

DATE REVISED: N/A

201.01 INTRODUCTION

The Department of Health Services (DHS) Overtime Compensation policy applies to all exempt and non-exempt employees. It is intended to establish uniform procedures and standards for administration of overtime compensation in accordance with the [State of Wisconsin Compensation Plan](#) and the [Fair Labor Standards Act \(FLSA\)](#).

201.02 DEFINITIONS

Work Hours: Work time as directed by the supervisor during which an employee must be on duty and at a prescribed place of work.

Overtime hours: Time that an employee works in excess of forty hours in a workweek.

Base rate: The official hourly rate excluding any overtime supplemental pay.

Supplemental pay: Pay in addition to the base rate for circumstances not reflected in the base pay rate or pay range.

Regular rate: The average hourly rate actually paid to an employee as straight time pay for all hours worked in the workweek or work period. This includes all remuneration for employment paid to, or on behalf of, the employee, except any payments specifically excluded from the calculation of the regular rate under the FLSA and related federal regulations.

Premium rate: The base rate plus .5 times the regular rate.

Compensatory time: Paid time off which is earned and accrued by an employee in lieu of immediate cash payment for overtime.

Unauthorized work: Hours worked by a non-exempt employee without authorization or contrary to a supervisor's instruction that may, under certain circumstances, be considered hours worked. Unrecorded hours worked during a workweek by an employee at the job site or at home must be counted as hours worked if the supervisor has reason to know of such practice.

Exempt Employees: Employees (i.e., administrative, management, supervisory or professional) who are not subject to the overtime provisions of the FLSA. These employees are generally intended to have their wages compensate them for the total responsibilities of their positions regardless of the number of hours worked and are not usually eligible for overtime pay. Circumstances may exist where overtime compensation for exempt employees is appropriate. Refer to [A – 4.03 of the Compensation Plan](#) for more details.

Non-Exempt Employees: Employees who are subject to the overtime provisions of the FLSA. These employees are compensated on an hourly basis and eligible to receive pay at the premium rate in cash or compensatory time off for overtime hours worked.

201.03 POLICY

(1) Overtime Policy

Overtime is to be held to a minimum consistent with the needs of the employing unit. It is the responsibility of Office Directors, Facility Directors, Division Administrators and supervisors to utilize other available alternatives before employees may be authorized to work hours which will generate overtime.

(2) Categorizing Employees as Exempt or Non-exempt

Exempt or non-exempt designations are determined by applying several detailed tests. In order to be considered exempt, an employee must:

- receive at least the federal minimum wage;
- be paid on a salary basis (i.e, receive the same amount of compensation each week regardless of the hours worked); and,
- perform administrative, management, supervisory or professional duties requiring the customary and regular exercise of judgment and discretion.

The Office of State Employee Relations (OSER) categorizes each classification title as exempt, non-exempt or mixed. Unless an exception to the typical categorization is approved by OSER, employees in titles designated as exempt will be treated as exempt and employees in titles designated as non-exempt or mixed will be treated as non-exempt

Questions regarding FLSA status should be directed to the Human Resources Representative.

(3) Overtime Compensation

- (a) Appointing authorities are authorized to provide overtime compensation for non-career executive employees in accordance with this policy directive and the applicable provisions of the Compensation Plan. Overtime compensation for career executives must be approved by the DHS Secretary.
- (b) Limited Term Employees, with the exception of physicians, attorneys and teachers, are considered non-exempt and must be compensated at the premium rate.
- (c) Project Employees are paid the same as permanent employees in the same classifications depending on exempt or non-exempt status.

Note: During an emergency declared by the Governor, an employee may be required to work overtime and perform duties different from those normally assigned. In such cases, employees assigned to work more than forty hours during a week performing duties directly attributable to the emergency may be paid at the premium rate of the employee's current pay rate. Employees assigned to work more than forty hours performing duties not directly attributable to the

emergency will be paid as specified in the overtime compensation policy in this chapter for Non-Exempt Employees and Exempt Employees as applicable. Employees not working more than forty hours during a week will be paid at their current pay rate regardless of the level of duties performed.

201.04 REFERENCES

[Chapter 230, Wis. Stats](#)

[Federal Fair Labor Standards Act \(FLSA\)](#)

[State of Wisconsin Compensation Plan](#)

[Chapter 520, Wisconsin Human Resources Handbook](#)

201.05 ADMINISTRATIVE INFORMATION

This policy was created on December 2, 2012 to establish consistent and uniform overtime compensation policies. This policy supersedes all previous DHS overtime compensation policies. Where it is in conflict with other departmental policies or procedures on overtime, this policy shall govern.