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| Overtime | **Last Revision:** | May 2020 |
| **Last Reviewed:** | May 2020 |
| **Applies to the following THA Group of Companies:** | * Island Health Care * Island Hospice * Independent Life at Home * RightHealth® * THA Services * Palliation Choices * I |
| **Included in the following THA Manual:** | Administrative Policies & Procedures  Talent Management |

### PURPOSE

The purpose of this policy is to properly compensate employees and to comply with all requirements of the Federal Labor Standards Act (FLSA) while managing the expense of overtime pay to nonexempt (hourly) employees of THA Group.

### POLICY

1. **Eligibility for Overtime** – In accordance with the Federal Labor Standards Act (FLSA), nonexempt employees are eligible to receive overtime pay at a rate of one and one-half times their regular pay for time worked in excess of 40 hours per workweek. Exempt (salaried) employees are not eligible for overtime; they may work as many hours as required to perform the duties of the position.
2. **Documenting Time Worked**-Timesheets are required for all personnel. Timesheets are legal documents. All work time must be accurately reported. Each employee is responsible for creating his or her own timesheet. Leaders are responsible for reviewing, approving and forwarding to payroll for timely processing. Falsifying a timesheet may be cause for immediate separation. Non-exempt (hourly) employees will use a computer at their place of work to clock in and out of the time tracking system using their unique username and password. Clocking in and out through the VPN in the employee’s home or through a smart phone device is not approved. Exempt (salaried) employees will use a timesheet to track PTO and the time spent in each business line.
3. **Scheduling and Working Overtime** – Before overtime is worked, an employee must have written approval from his or her leader and the VP responsible for the business unit. At the leader’s discretion, an employee’s work schedule may be adjusted during a workweek to avoid overtime. At times, overtime may be necessary and as it is considered a condition of employment, refusal to accept it, when reasonable notice has been given, is cause for corrective action, up to and including separation.
4. **Overtime During a Holiday Week -**  Hourly (non-exempt) employees that work overtime in a holiday week will receive premium pay at 1.5 times their hourly rate for the hours worked on the holiday. Hours worked on a holiday are not counted as time worked for the purposes of computing overtime. Hourly (non-exempt) employees will also have the accrued 8 hours of PTO/Holiday to take at another time within the same pay period. Please refer to the holiday leave and pay policy. PRN workers that work overtime in a holiday week will receive both premium pay for hours worked on a holiday at the rate of 1.5 times their hourly rate and hours worked will be counted as time worked for the purposes of computing overtime. However, they will not be eligible for the 8 hours of PTO/Holiday to take at another time.
5. **Overtime with two Different Pay Rates** – When an employee is paid at two different pay rates, the employer will need to determine the overtime rate based on the "regular rate of pay", a weighted average of the two rates of pay.

For example, say an employee works 40 hours at $12/hr, and 10 hours at $8/hr.

First determine the regular rate of pay:

* 40hrs ($12/hr) = $480, 10hrs ($8/hr) = $80
* $480 + $80 = $560
* $560/50 = $11.20 = regular rate of pay

Next, determine the overtime rate of pay:

* $11.20 (1.5) = $16.80 overtime rate

Lastly, calculate total compensation:

* 40hrs ($11.20/hr) + 10hrs ($16.80/hr) = $616 total pay for the week

1. **Time Worked** – Approved paid absences, including Paid Time off (including Family and Medical Leave Act or FMLA leave), military leave, jury duty, funeral/bereavement leave, and voting time off are paid at an employee’s regular rate of pay, but are not counted as time worked for the purposes of computing overtime.
2. **Compensatory Time** – THA Group does not approve accrual of compensatory time by exempt or nonexempt employees.