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## EMPLOYEE SERVICES

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# Fair Labor Standards Act (FLSA)

The federal Fair Labor Standards Act (FLSA) establishes minimum wage, overtime pay, record-keeping and child labor standards that apply to full and part-time workers in federal, state and local governments. Employees can be determined to be exempt or non-exempt from its provisions, depending upon how their position fits within certain criteria (see the FLSA Exemption Process later in this section).

A key provision of the act is that non-exempt employees must be paid at the rate of one and one-half times the annualized hourly rate for all hours worked in excess of 40 in any work week. The Fair Labor Standards Act covers all Colorado employees, and under the FLSA, the state is considered to be a single employer. Employees cannot voluntarily waive their rights under the FLSA.

FLSA status (exempt or non-exempt) is defined by the position's job duties, not by the employee. For classified staff and university staff positions, the campus human resources office reviews each position to determine appropriate FLSA status. Positions with a faculty job code are generally exempt from overtime. However, there are exceptions to this under certain circumstances, and these positions should also be reviewed individually to determine appropriate FLSA status.

The FLSA includes four fundamental provisions with which university departments must comply:

1. record-keeping requirements;
2. basic wage standards-minimum wage;
3. the FLSA exemption process; and
4. overtime pay, and compensatory time definition and implementation.

The university does not generally employ children, except as part of an educational internship or special program, so the child labor laws are not an issue for most departments. Check with your human resources department for guidance on these provisions.

## Record-Keeping Requirements

**Time/Leave Records:** The university shall keep time/Leave work records for exempt and non-exempt employees. Both the employee and the supervisor must verify and sign these time records on a bi-weekly or monthly basis.

FLSA provisions require employers to keep records on wages, hours and other items, as

specified in Department of Labor record-keeping regulations. The records do not have to be kept in any particular form, and time clocks are not required. The university requires the use of any manual or automated time keeping options available to document time, per FLSA requirements. Departments may select the form they wish to use.

See examples of an EWR [1]. For an employee subject to the minimum wage provisions, or both the minimum wage and the overtime pay provisions, the following records must be kept:

1. personal information, including employee's name, home address, occupation, sex and birth date if younger than 19
2. hour and day when workweek begins
3. total hours worked each workday and each workweek
4. total daily or weekly straight-time earnings
5. regular hourly pay rate for any week when overtime is worked
6. total overtime pay for the workweek
7. deductions from or additions to wages
8. total wages paid each pay period
9. date of payment and pay period covered

There may be additional information not specifically required for FLSA purposes that may be required to be retained for other purposes.

**Record Retention:** Each employing department should maintain employee work records--for current and former employees--a minimum of five years from submission of the final expenditure report (shows the last time the employee incurred a salary or benefits expense in the department), per Colorado Schedule 8 ? Higher Education General Records Retention Schedules [2]. In the case of employees paid from grant funds, the retention period continues until all audits of the grant are complete and the grant is closed. The required time-period for record retention is not less than seven (7) years from the date of the final expenditure. These rules apply to all university employees covered by the FLSA.

## **Basic Wage Standards-Minimum Wage**

The current Colorado State Minimum Wage [3] can be found at <http://www.colorado.gov/> [3]. Minimum wage is set by the Colorado Department of Labor & Employment and/or the U.S. Department of Labor, depending on which is most advantageous to the employee.

## **The FLSA Exemption Process**

The university is responsible for designating each position as FLSA exempt (not subject to FLSA; not subject to overtime requirements) or non-exempt (subject to FLSA rules; overtime eligible) based upon the actual duties performed by the position, regardless of job class. (**Note:** The designation process varies by campus.)

Position exemption determinations must be entered into Human Capital Management (HCM), and a written record of the determination must be kept on file. This must be maintained in the employee's personnel file or in a separate file location in the campus human resources office; it may also be maintained by the employee's department, at its discretion.

The university has identified those positions eligible for payment of overtime. To see whether an employee is eligible for overtime payments, check the employee's job data record.

Exempt or non-exempt status will be shown on the job information page.

*PS Navigation: FLSA Exemption Verification:*

*Workforce Administration > Job Information > Job Data > Find an Existing Value (Enter EMPL ID) > Job Information*

## **Overtime Pay and Compensatory Time Definition**

**Standard University Work Week:** The standard workweek is from Sunday at 12:01 a.m. through Saturday at midnight.

**Note:** The UCCS campus workweek differs: from Saturday at 12:01 a.m. through Friday at midnight. Please consult the UCCS Office of Personnel at 719-262-3372 if you have any questions.

**Overtime Pay:** The FLSA requires that an employee in an FLSA non-exempt (eligible for overtime) position is paid overtime or granted compensatory time when hours worked exceed 40 hours in a scheduled workweek. Both overtime and compensatory time must be paid at a rate of not less than one and one-half hours for each hour of overtime/compensatory time worked.

Hours worked include all time during which an employee is required or permitted to work. Employees who voluntarily continue working before and/or after their shifts are entitled to be paid according to FLSA regulations.

It is the responsibility of the supervisor and agency to ensure overtime work is authorized. A supervisor may issue a corrective action to an employee who works unauthorized overtime. The FLSA requires payment for all overtime worked, regardless of the excuse (or the employee's willingness to waive the overtime payment). Averaging work hours over different workweeks is **not** permitted.

For each employee in a non-exempt (eligible for overtime) position, departments may want to add the following agreement to the employee work record:

?I understand my position is eligible for overtime and/or compensatory time payment. These payments will be made at the rate of one and one-half times my annualized hourly rate. I agree to work overtime only with advance approval of my supervisor. Failure to receive advance approval for overtime worked may result in a corrective or disciplinary action, which may include termination of university employment.?

State personnel rules consider all work time for overtime calculation, excluding holidays and authorized paid leaves such as annual leave, sick leave, jury duty, funeral leave, administrative leave, etc. For example, an employee works 36 hours, takes 4 hours of vacation leave, and then works 4 additional hours. This employee is paid 44 hours at the regular rate of pay, since the total hours at work are equal to 40.

**Exception for Essential Services Positions:** Classified staff who are determined to be in an essential services position will have vacation, sick or other paid leave hours included in the

hours-worked calculation when determining overtime hours.

**Note:** A holiday or period of authorized leave of absence falling within a regularly scheduled workweek is counted as working time in determining overtime work for employees who are required to perform essential services, such as highway workers, correctional officers, institutional employees, State Patrol personnel, etc. (S.B. 94-150).

**Compensatory Time:** The FLSA allows state and local government employers to provide compensatory time off in lieu of cash payment.

Compensatory time must be paid at a rate of not less than one and one-half hours of compensatory time for each hour of overtime worked.

Compensatory time in lieu of monetary payment is allowed if there is a written agreement between the agency and any employee hired after 4/15/86. Written agreements for those hired before 4/15/86 are unnecessary, provided the agency had a regular practice in place for granting compensatory time. Acceptance of compensatory time may be a condition of employment for new employees (State Personnel Board Rules and Personnel Director's Administrative Procedures 3-28(A)).

Appointing authorities must ensure that compensatory time is scheduled as soon as practical. Compensatory time shall not exceed 240 hours (480 hours for law enforcement). Any hours over this limit must be paid on the next regularly scheduled pay period. Departments can place additional limits on the accrual or payment of compensatory time, provided a policy is created and clearly communicated to employees in advance (State Personnel Board Rules and Personnel Director's Administrative Procedures 3-28(A)).

The FLSA allows compensatory time for overtime work as long as there is an agreement from the employee. An employee's decision to accept compensatory time off in lieu of cash overtime payments must be made freely and without coercion or pressure. Unused compensatory time at termination or at transfer to another state agency must be paid to the employee at that time.

Please contact your campus' human resources department with questions about the FLSA and/or state and university rules concerning the FLSA.

**Groups audience:**

Employee Services

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**Source URL:** <http://www.cu.edu/employee-services/fair-labor-standards-act-flsa>

**Links:**

[1] [http://www.cu.edu/sites/default/files/policies/docs/EWR\\_Monthly\\_Example.xls](http://www.cu.edu/sites/default/files/policies/docs/EWR_Monthly_Example.xls)

[2] <http://www.colorado.gov/dpa/doit/archives/rm/rmman/sch8.pdf>

[3] <https://www.colorado.gov/cdle/minimumwage>