

DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES
Bureau of Human Resources
January 22, 2016

HUMAN RESOURCES MEMORANDUM 2-16

TO: All Agency Heads, Human Resources Offices

SUBJECT: Update to the State's Standard Overtime Compensation Policy

=====

The State's Standard Overtime Compensation Policy has been updated to provide agencies the authority to independently approve exceptions in order to compensate otherwise exempt employees for necessary and unavoidable overtime. The updated policy, effective the date of this memorandum, is attached (Attachment 1).

This update is intended to streamline and simplify the process and procedure for implementing exceptions. The process up to now required agencies to prepare a written justification for exception to the State's Standard Overtime Compensation Policy, including a list of the affected positions (jobs titles, position numbers, and incumbents) as well as the begin and end dates for the exception, and submit it to the Bureau of Human Resources (BHR) for prior review, approval, and processing.

The new process eliminates the need to wait for BHR approval, as well as eliminating the need to wait for the Office of the State Controller to enter overtime exceptions into the MFASIS HR system. Appointing authorities will now have the authority to approve exceptions to the State's Standard Overtime Compensation Policy, and Human Resource personnel in the agency/service centers will have the ability and responsibility to enter the necessary changes in MFASIS to effect overtime exceptions. Instructions on entering transactions are also attached to this Memorandum (Attachment 2).

Written justifications for overtime exceptions should continue to be prepared and should be filed in the agency's Human Resources Office for audit purposes.

Any questions concerning this policy should be directed to Thaddeus Cotnoir in the Bureau of Human Resources (624-7799).

S/ Joyce A. Oreskovich
Joyce A. Oreskovich, Director
Bureau of Human Resources

Attachment 1

STATE OF MAINE
BUREAU OF HUMAN RESOURCES

January 22, 2016

STANDARD OVERTIME COMPENSATION POLICY

It is the State of Maine's policy to comply with the minimum wage and premium overtime compensation requirements of the federal Fair Labor Standards Act (FLSA) and Maine law. Ordinarily, employees in positions that are in classifications above Pay Grade 21 and are found "exempt" from the premium overtime compensation requirements of the FLSA and Maine Law are not eligible for overtime compensation based on additional hours worked beyond the standard 40 hours per week. However, there may be some circumstances when exempt employees are required to work excessive hours and may be compensated for these hours on an exception basis.

EXCEPTIONS TO STANDARD OVERTIME COMPENSATION POLICY

In instances where the employing agency can justify that overtime is *required* for specified exempt employees, that the overtime required is *excessive*, and that the overtime *cannot be avoided* (for example, by the use of flexible work schedules), the appointing authority may approve an exception.

Exceptions provide overtime compensation at the straight-time rate for all overtime hours actually worked.

Approved exceptions satisfy the following conditions:

1. The overtime hours are excessive.
2. The overtime hours are required of the exempt employee.
3. The work to be completed cannot be done without scheduled overtime hours.
4. Exceptions are documented and approved in advance of the overtime to be worked¹. Appropriate documentation of exception requests and approvals must be maintained by the Human Resources office for the agency.

¹ It is understood that some exceptions are unforeseeable, such as natural disasters or military action. In these limited circumstances, retroactive exceptions may be approved, with appropriate justification maintained.

Attachment 2

INSTRUCTIONS FOR ENTERING OVERTIME EXCEPTION
TRANSACTIONS IN MFASIS

To Begin Overtime Exception:

On the HØBU5 screen, enter

- Salary Change Date – the date the exception begins
- Overtime Status = 3
- Overtime Type = 1
- Reason for Change = Q
- Go over the step

Overtime 1 Premium and Overtime 2 Premium will update automatically.

On the UH1U1 screen, enter

- Personnel Action = G for salary change
- Comment = Overtime Exception from (date) to (date)

To Extend Overtime Exception:

On the UH1U1 screen, enter

- Personnel Action = L for worksheet only
- Comment = Extend OT Exception to (date)

To End Overtime Exception:

On the HØBU5 screen, enter

- Salary Change Date – the date the exception ends
- Overtime Status = 1
- Overtime Type = 0
- Reason for Change = Q
- Go over the step

Overtime 1 Premium and Overtime 2 Premium will update automatically.

On the UH1U1 screen, enter

- Personnel Action = G for salary change
- Comment = Overtime Exception Ends (date)

It is not necessary to submit any back-up documentation to the Office of the State Controller for this personnel action.