Project Background

The NJ Department of Labor contacted Rutgers regarding inconsistent procedures and practices for tracking and monitoring Overtime (OT) and Compensatory Time (Comp) for Non-Exempt Employees.

A committee was formed to review current practices and make recommendations to ensure compliance.

The committee uncovered inconsistent handling, tracking, and monitoring of OT and Comp throughout the University. Some areas were compliant with federal and state requirements, while others were not.
Project Background
(continued)

The committee identified the need for:

• Changes to Policy 60.3.14
• Enhancements to Software
• Standardization of Processes
• Identification of Official System of Record

A group representing UHR, Payroll, RIAS and Internal Audit was formed to implement the recommendations made by the committee to ensure uniform and consistent practices related to OT and Comp across all university units.
Session Goals

The purpose of this session is to share information about revisions to Rutgers overtime policy for regularly appointed staff and to highlight the ensuing changes.

Session topics include:

- Definitions, Regulations and Requirements
- Overview of Changes
- Impacts on Departments
- Impacts on Non-Exempt Employees
- Roles and Responsibilities
- Workflows and Processes
- Reporting Capabilities
Relevant Definitions

**FLSA**: The Fair Labor Standards Act (FLSA) is administered by the U.S. Department of Labor. It requires employers to pay covered employees for time worked beyond a defined workweek and requires employers maintain records of hours worked and paid.

**Exempt**: Applies to positions that are not eligible to receive overtime compensation according to the FLSA.

**Non-Exempt (NE)**: Applies to positions that are eligible to receive overtime compensation according to the FLSA. NE positions have a fixed workweek (e.g., 35, 37.5 or 40 hours per week) and are eligible to receive compensation for hours worked beyond the maximum number of hours in the workweek.
Relevant Definitions
(continued)

**Overtime Pay (OT):** Additional financial compensation for time worked by non-exempt staff over the amount of the defined workweek. An employer who requires or permits a non-exempt employee to work beyond the employee’s fixed workweek must pay the employee time and one half pay for the extra hours worked, unless otherwise defined within a negotiated agreement.

**Compensatory Time (Comp or CT):** Time off given to an employee in place of overtime pay. An employer may grant particular comp time in lieu of overtime and must ensure that comp time is granted at time and one half of the hours worked beyond the regular workweek.
Non-Fixed Workweek Designations: Codes applied to different types of exempt employee groups.

- NL – Exempt from overtime provisions of the FLSA and are not eligible for or entitled to receive OT or Comp.
- NC – Limited number of supervisory staff who are regularly required to work on scheduled days off and are not entitled to overtime, but are eligible for compensation.
- N4 – Required to work a minimum of 40 hours per week because primary job function involves supervising non-exempt, 40-hour, fixed workweek employees.
Key OT and Comp Time Requirements

Federal and state regulations require:

- Agreement between employer and employees via policy, memo of understanding, or other document (e.g., collective bargaining agreement)
- Agreement between employee and supervisor before work is performed (must be auditable)
- Employee must earn 1.5 hours for each hour worked beyond designated workweek
- Employee must be permitted to use compensatory time, when requested
- Employer must maintain official record of earned and expended comp time for all FLSA covered employees
Key OT and Comp Time Requirements
(continued)

• Accrual and use of comp time must be on file for three years
• All earned comp time must be converted to OT and paid out to employee upon separation from employer

University policy requires:
• All unused comp balances will be converted to overtime after the first pay period in June and paid out before the end of the fiscal year
• Between the first pay period in June and the first pay period in July, employees are not permitted to earn comp time and, as such, may only be paid overtime
Key OT and Comp Time Requirements (continued)

• Department that awarded comp time must convert and pay out balance if employee transfers to another department or employee separates from the University.

• Approval from VP for Faculty & Staff Resources, or her designee, if employee will earn more than 120 hours.

• The system will not permit a department to award an employee comp time and overtime in the same pay period.
Policy, Software and Process Changes

Important changes include:

1. Revisions to Rutgers Policy 60.3.14

2. Accrual and Use of Compensatory Time
   - Work unit decides if Compensatory Time in lieu of Overtime is supported
   - Comp must be used during the fiscal year earned or paid to employee as OT

3. Compensatory Time Payouts
   - Last check in June
   - Transfer to another department
   - Separation from University
4. **Software Changes**
   - PeopleSoft – University’s Official System of Record
   - RIAS HCM and Payroll – capability added to track and monitor Comp and OT
   - Kronos and Other Time Keeping Systems – updated to feed Comp data to RIAS

5. **Formalization of Tracking and Documentation**
   - Request to work extra hours
   - Approval of request
   - Documentation to support audits
   - UHR will conduct monthly and quarterly audits
# OT Request from Supervisor vs. Employee

## Supervisor Requests OT
- Supervisor has the authority to request employees work OT
- Requests must be documented plus equally and fairly distributed among employee groups and individuals

## Employee Requests OT
- Employee must document request to work OT and be provided documented approval from supervisor and/or her designee before beginning to work OT
Process Roles and Responsibilities

A variety of people are involved in applying the new policy and executing new processes. They include:

**Supervisor:**
- Per policy, can inform employee to work OT within appropriate guidelines
- Approves or denies formal request from employee seeking to work overtime

**Employee:** Initiates formal request to work OT to complete a project

**Non-Exempt Employee:** Enters request to work OT

**Department Time Keeper:** Enters and adjusts time entries for employees
Process Roles and Responsibilities  
(continued)

**Department Approver:** Reviews, approves or denies routine employee time entries, requests to work OT, and requests to earn Comp in lieu of OT, when permissible

Other University administrative areas involved include:

**Department Administrator:** Ensures department adherence and compliance

**Payroll:** Calculates and processes payments (regular and payouts) according to policy and regulations

**UHR:** Provides policy and regulation oversight, monitoring and University-level reporting

**RIAS:** Develops, maintains, and enhances the HCM and Payroll application to support business requirements
Eligibility

Non-Exempt Employees Eligible for Comp and OT:

- Class 1 and Class 3 – OT & CT eligible (some exceptions)
- Class 4 Seasonal, *Class 5 Students, Local 888, and Local 68-68A – OT only, No CT

*Note: Students cannot request OT.

Local 1761 – Specific language for hours worked between 35 – 40 (OT @ straight time rate or CT @ time and one-half at supervisor's discretion); after 40 hours OT only @ time and one-half

Time Keepers and Approvers should understand eligibility differences to ensure compliance with federal and state laws, university policies, and contractual requirements.
## Eligibility

(continued)

<table>
<thead>
<tr>
<th>EMPLOYEE GROUP</th>
<th>OT</th>
<th>COMP</th>
<th>EARNING REQUIREMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Aligned, Non-Exempt: Class 1 &amp; Class 3</td>
<td>Yes</td>
<td>Yes</td>
<td>Time + ½ over full-time standard hours per week</td>
</tr>
<tr>
<td>Non-Aligned, Non-Exempt: Class 4 Seasonal &amp; *Class 5 Students</td>
<td>Yes</td>
<td>No</td>
<td>Time + ½ over full-time standard hours per week</td>
</tr>
<tr>
<td>Aligned Non-Exempt URA-AFT</td>
<td>Yes</td>
<td>Yes</td>
<td>Time + ½ over full-time standard hours per week</td>
</tr>
<tr>
<td>Aligned Non-Exempt FOP</td>
<td>Yes</td>
<td>Only on Occasion (training)</td>
<td>Time + ½ over full-time standard hours per week; per contract, Comp is awarded at a day for a day rate and must be used within the 28 day billing cycle</td>
</tr>
<tr>
<td>Aligned Non-Exempt AFSCME Local 888</td>
<td>Yes</td>
<td>No</td>
<td>Time + ½ over full-time standard hours per week</td>
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<tr>
<td>Aligned Non-Exempt IUOE Local 68-68A</td>
<td>Yes</td>
<td>No</td>
<td>Time + ½ over full-time standard hours per week</td>
</tr>
<tr>
<td>Aligned Non-Exempt AFSCME Local 1761 (COLT)</td>
<td>Yes</td>
<td>Only between 35 - 40 hours</td>
<td>Time + ½ over 40 hours per week; Between 35 - 40 hours per week – either OT @ regular hourly rate or CT @ time + ½ at supervisor’s discretion</td>
</tr>
</tbody>
</table>

*Note: Class 5 Students cannot request OT.*
Kronos System Users

Payroll has worked with units to establish an electronic upload to the RIAS system. (Only change required was activating the comp time data field.)

Employee:
- No change to process; uses current system to track extra hours
- Use RIAS Self Service to view comp balances and usage
- Receives comp payout at end of June, if applicable

Department:
- Continues current processes
- Passes data for OT and CT to RIAS application
- Monitors OT and CT balances, possible payout amounts, on quarterly basis
CT and OT Process for RIAS

Committee learned there are many systems used for tracking OT and CT across the University which then manually enter data into RIAS for processing. New process will be uniform and consistent across the university.

Employee:

- Submits request to work OT via system
- Uses Web Clock to punch in/out of OT
- Uses system to view CT balance and details
- Receives CT payout at end of June, if applicable

Department:

- Approves OT requests via system
- Transfers OT to CT via system, if approved
- Monitors OT, CT, and payout balances via reports
RIAS HCM & Payroll Application Changes

The following system functionality was enhanced to support the project:

<table>
<thead>
<tr>
<th>ROLE</th>
<th>MODULE</th>
<th>NEW/ENHANCED FUNCTIONALITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Employee</td>
<td>Self Service</td>
<td>Request &amp; Record Time:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Submit Overtime Request</td>
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<tr>
<td></td>
<td></td>
<td>• Report Exception Punch Time (Web Clock)</td>
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<td></td>
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<td>• View Time – OT &amp; CT via Payable Time Detail Screens</td>
</tr>
<tr>
<td>Time Keeper</td>
<td>Manager Self Service</td>
<td>Department Time Management:</td>
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<tr>
<td></td>
<td></td>
<td>• Report Time – Timesheets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Modify Time - Timesheets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• View Time – Payable Time Detail</td>
</tr>
<tr>
<td>Approver</td>
<td>Manager Self Service</td>
<td>Department Time Approval:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Approve Overtime Requests</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Approve Time and Exceptions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Review Payable Time Detail</td>
</tr>
<tr>
<td>Department</td>
<td>Manager Self Service</td>
<td>Time Reports:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Department Comp Time</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Department Overtime</td>
</tr>
</tbody>
</table>

*Note: Only applies to Non-Exempt Employees.*
Time and Labor - Time Reporting Codes

Existing Time Reporting Codes (e.g., HREG, EXHRS, etc.) will continue to be used in the HCM and Payroll Time & Labor application.

The following new codes will also be used:

- COMPE – Comp Time Earned
- COMPU – Comp Time Used
OT Request from Supervisor vs. Employee
(continued)

1. Employee could request to work OT and have it earned as OT (paid out in next paycheck)

2. Employee could request OT be earned as comp time

3. Supervisor has authority, regardless of employee request, to award either OT or CT to employee. Supervisor decision should be based on business needs and budget of the department/unit.

4. Employee requests to work OT and supervisor approves working of OT; the supervisor must inform the employee as to whether OT will be designated as OT (to be paid out next pay check) or earned as CT.
OT Request and Approval Process when Employee Requests to Work OT

RIAS HCM and Payroll Users

**Business Need**
- May identify need for extra hours based on current workload
- Submits request to work OT via RIAS Self Service Page

**Request**
- Reviews & approves request (only after immediate supervisor approves request)
- Denies
- If no action, then system auto denies request 24-hours before date in request

**Supervisor**
- Decides if request from employee merits extra hours
  
  **Note:** Happens outside of system (e.g., via email)

**Employee**
- Receives approved or denied email from system
- Once employee exhausts regular fixed work hours, logs into Web Clock to begin tracking approved additional hours

**T&L Approver**
- Enters employees time into Timesheet
- Adjust time, if required
- Submits to T&L Approver

**T&L Approver**
- Reviews & approves time (Regular and Exception Time)
  
  **OR**
  - Returns to Time Keeper for corrections
Comp Time Accrual Process
RIAS HCM and Payroll Users

**Employee**
- Submits request for CT in lieu of OT or use of CT from existing balance
  - **Note:** Happens outside of system (e.g., via email)

**Supervisor**
- Approves or denies request
- **Note:** Happens outside of system in writing using documented process within the dept. Approvals must contain employee’s name and if approved or denied

**T&L Time Keeper**
- Modifies employee’s time balances in T&L (OT to CT) based on info in written approval from employee’s supervisor

**T&L Approver**
- Approves changes in system
  - **Note:** Has ability to deny OT and award CT at the written direction of the supervisor; Employee requesting CT in lieu of OT should be provided a copy of supervisors communication

**Employee**
- **Optional:** Can use Self Service to view Payable Time Detail and review
Comp Time Usage Process

RIAS HCM and Payroll

- **Employee**
  - Submits request to use CT from existing balance
  - **Note:** Happens outside of system (e.g., via email)

- **Supervisor**
  - Approves or denies request
  - **Notes:** Happens outside of system in writing using documented process within the dept.; approvals must contain employee’s name and if approved or denied
  - Case law errs on side of employee’s request

- **T&L Time Keeper**
  - Modifies employee’s time balances in T&L (OT to CT) based on info in written approval from employee’s supervisor

- **T&L Approver**
  - Approves changes in system

- **Employee**
  - **Optional:** Can use Self Service to view Payable Time Detail and review

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University Human Resources
Instructions and Examples
by
Process and Role
Step-by-Step Instruction Documents

Detailed, step-by-step, role specific instruction documents are available on the UHR website via the following link.

UHR Website, OT and CT page: [http://uhr.rutgers.edu/otct](http://uhr.rutgers.edu/otct)

Instruction documents:

**Eligible Non-Exempt Employee:**
- How to Enter OT Request
- How to Punch In/Out of Web Clock for OT

**Department T&L Time Keeper:**
- How to CT on Timesheets
Step-by-Step Instruction Documents
(continued)

Department T&L Approvers:

• How to Review and Approve Overtime Requests for Eligible Non-Exempt Employees
• How to Review Department OT Reports
• How to Review Department CT Reports
Process & System Enhancement Examples

A few examples of the system changes are provided in the following slides to give users illustrations of the changes that went into effect on July 1.

Examples include screen shots of the following:

**Non-Exempt Employee:**
- Navigation to Request OT
- Navigation to Web Clock to punch in/out for OT

**Department Approver:**
- Navigation to Department Comp Time Report

**Department T&L Time Keeper:**
- Timesheet with COMPE and COMPU TRC codes
Eligible NE Employee – OT Request

After the supervisor or employee identifies a need for extra hours, the employee logs into RIAS and navigates to the “Overtime Request” link using the path below.

Navigation: Self Service > Time Reporting > Report Time > Overtime Requests
Eligible NE Employee – OT Request (continued)

On the “Request Overtime” page, the employee clicks on the “Add Request” button and then follows the step-by-step instructions from the UHR website to complete the process and submit the request to the department’s Approver for review.
Eligible NE Employee - Punch In/Out for OT

At the start of the overtime, the employee logs into RIAS and navigates to the “Web Clock” link using the path below.

Navigation: Self Service > Time Reporting > Report Time > Web Clock
Eligible NE Employee - Punch In/Out for OT
(continued)

The employee follows the step-by-step instructions from the UHR website to complete the punch in and out process to record the extra hours worked.
Department OT or CT Reports

Department T&L Approvers can run reports to review OT and CT information for the department. The Approver logs into RIAS and navigates to the “Department Overtime Reports” or “Department Comp Time Reports” link using the path below.

Navigation: Rutgers Reports > Department Overtime Report or Rutgers Reports > Department Comp Time Report
Department OT or CT Reports (continued)

On the “Department Comp Time (or Overtime) Report” page, the Approver types the department ID or an employee’s ID number into the fields and clicks on the “Search” button. (See step-by-step instructions on the UHR website for details.)
Department OT or CT Reports (continued)

If OT or CT data exists for the department or for the employee entered, the system generates and displays a report that looks similar to the one below:

![Department Overtime Report Result Page](image-url)
Department Time Keeper – Adjust OT and CT

Department T&L Time Keepers add and/or adjust OT and CT for employees via the employee’s timesheet. Time Keepers log into RIAS and navigate to the “Timesheet” screen using the path below.

Navigation: Manager Self Service > Time Management > Report Time > Timesheet
Department Time Keeper – Adjust OT and CT
(continued)

Department T&L Time Keepers use the new Time Reporting Codes, COMPE and COMPU to adjust CT for employees according to input in the system and from information provided by the employee’s supervisor. (See step-by-step instructions on the UHR website for details.)
Demo

The following link is for demonstration purposes only:

http://rias-ess-links.rutgers.edu/psoft.html
Additional Resources
Additional Assistance

University Human Resources (UHR):

- Phone: 848-932-3020
- Fax: 732-932-0047
- Website: http://uhr.rutgers.edu

UHR Office of Labor Relations:

- Phone: 848-932-3914
- Fax: 732-932-0018
- Unit Webpage: http://uhr.rutgers.edu/uhr-units-offices/office-labor-relations

United States Department of Labor:

- Website: http://www.dol.gov
Additional Assistance
(continued)

Other Helpful Links:
RIAS Login:  http://rias.rutgers.edu
Link to training materials:  http://uhr.rutgers.edu/otct
NJ Department of Labor:  http://lwd.dol.state.nj.us/
Policy 60.3.14 (official as of July 1, 2013):
http://uhr.rutgers.edu/sites/default/files/userfiles/60_3_14-Rutgers_Overtime_Comp_Time_for_Regularly_Appointed_Staff.pdf
Questions & Answers

Thank you for your participation.