



**POLICY**

Overtime Compensation

**EFFECTIVE**

January 31, 2021

**PURPOSE**

The purpose of this policy is to establish uniform rules governing the payment of overtime compensation.

**POLICY**

It is the policy of the University of Maryland Medical System (“UMMS”) and its member organizations to compensate all employees in accordance with state, federal and local law. It is also UMMS policy to control costs through the responsible management of overtime.

**DEFINITION**

Hours Worked	Hours in which an employee performs actual work.
Overtime Compensation	One and one-half (1 ½) an employee’s regular rate of pay.
Overtime Hours	Hours worked over forty (40) in a given workweek.
Regular Rate of Pay	An hourly rate calculated by dividing the total pay for employment (except for certain statutory exclusions) in any workweek by the total number of hours actually worked in that week.
Workweek	7:30 a.m. Sunday -7:29 a.m. the following Sunday

**RESPONSIBILITY**

- A.** It is the responsibility of the department leader or their designee to manage overtime and to pre-approve hourly employees to work overtime hours when necessary.
- B.** It is the responsibility of the department leader or designee to ensure that overtime hours are recorded correctly to ensure the proper payment of overtime compensation. *See HR Policy, Recording and Payment of Time.*
- C.** It is the responsibility of the employee to obtain prior approval from his/her department leader or designee before working overtime hours.

**PROCEDURE**

- A.** Hours worked are credited to the week in which they are actually worked. This means that hours worked before 7:29 a.m. Sunday will be counted toward one work week, and hours worked after 7:30 a.m. Sunday will be counted in the following workweek. This may result in hours worked during one shift being split between two workweeks.



- B.** Overtime compensation is paid for all hours worked over forty (40) in a given workweek. Paid leave time is not included in the calculation of hours worked.
- C.** An hourly employee's regular rate of pay, for the purpose of determining overtime, is calculated by dividing the total pay for employment (except for certain statutory exclusions) in any workweek by the total number of hours actually worked. Total pay includes the employee's base rate of pay, as well as any applicable premium pay, certain bonuses, on call pay, etc. This total pay is divided by the total number of hours worked to determine the regular rate, and overtime is paid at 1 ½ times the regular rate for hours worked over forty (40).
- D.** Employees who work alternative work weeks, (i.e., weekend alternative, etc.) will be paid overtime compensation based on actual hours worked over forty (40) hours and not hours paid.
- E.** An employee who is required to remain on call on the premises is working while "on call," and those hours are counted to determine whether an employee is eligible for overtime and, if so, how much. An employee who is required to remain on call at home, or who is allowed to leave a message where he/she can be reached, is not working (in most cases) while on call. These hours are not considered to be hours worked and therefore are not counted for the purposes of determining eligibility for overtime compensation.
- F.** Overtime hours may be authorized when current staffing cannot cover the operational requirements of the department or nursing unit. The opportunity to work overtime hours will be offered to employees on a voluntary and equitable basis. Mandatory overtime hours may be required in the event of staffing shortages or emergencies if authorized by the Vice President with responsibility for the particular department or nursing unit. Mandatory overtime assignments shall meet any applicable requirements under Maryland law.
- G.** If an employee works overtime hours without prior authorization, then the employee will be compensated for his/her time at the overtime compensation rate, but may be subject to corrective action for working overtime hours without prior approval.
- H.** Employees in exempt positions are paid on a salary basis and are not eligible to receive overtime compensation. Exempt employees are expected to work regardless of the number of hours necessary to satisfactorily accomplish their job functions and do not typically receive additional compensation for any of their work activities. Any exception to this general rule must be approved by the facility's Vice President of Human Resources.
- I.** Compensatory time is not permitted by the organization at any time.
- J.** Employees who are subject to a Collective Bargaining Agreement should refer to that document for information regarding overtime.

## REPORTING CONCERNS

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Any employee who has a concern about their pay, including the calculation of overtime compensation or their eligibility for overtime hours or compensation should report those concerns to their Human Resources Representative or the Corporate Compliance and Business Ethics Group. All concerns will be investigated and there shall be no retaliation for raising concerns.



## FAQ

## Overtime Compensation

**Q** What rate does UMMS pay for eligible employees who work overtime?**A** UMMS pays one and one-half (1 ½) an employee's regular rate of pay.**Q** How can an employee learn their regular rate of pay?**A** Employees can calculate their hourly rate calculated by dividing the total pay for employment (except for certain statutory exclusions) in any work week by the total number of hours actually worked in that week.**Q** When does an employee qualify for overtime?**A** An employee first needs to have worked 40 hours in a given workweek, which is defined as 7:30 a.m. Sunday to 7:29 a.m. the following Sunday. Employees who work alternative work weeks (e.g. weekend alternative) will be paid overtime compensation based on actual hours worked over 40 hours and not hours paid.

A department leader or their designee must authorize an employee to work overtime. (An employee who works overtime without prior approval from the department leader or his/her designee may be subject to corrective action.)

**Q** Would I have met the 40-hour eligibility threshold to earn overtime if I work 36 hours in one week and 4 in a new work week?**A** No. Hours worked are credited to the week in which they are actually worked. This means that hours worked before 7:30 a.m. Sunday will be counted toward one work week, and hours worked after 7:29 a.m. Sunday will be counted in the following work week. This may result in hours worked during a Saturday night shift being split between two work weeks.**Q** Will overtime pay be in addition to pay premiums like shift differentials?**A** An hourly employee's regular rate of pay, for the purpose of determining overtime, is calculated by dividing the total pay for employment (except for certain statutory exclusions) in any work week by the total number of hours actually worked.

Total pay includes the employee's base rate of pay, as well as any applicable premium pay, certain bonuses, on call pay, etc. This total pay is divided by the total number of hours worked to determine the regular rate, and overtime is paid at 1 ½ times the regular rate for hours worked over forty (40).



**Q** Are employees eligible for overtime if they take paid leave time in a given week?

**A** No. Paid leave time is not included in the calculation of hours worked.

**Q** How does “on call” affect overtime?

**A** An employee who is required to remain on call on the premises is working while “on call.” Those hours are counted toward overtime eligibility.

An employee who is required to remain on call while not on premises is not working (in most cases) while on call. These hours are not considered to be hours worked and therefore are not counted toward overtime eligibility.

**Q** Who determines who is eligible for overtime and how will the decision be made?

**A** A department leader or their designee will make the decision if/when current staffing cannot cover the department’s or nursing unit’s operational requirements. Opportunities to work overtime hours will be offered to employees on a voluntary and equitable basis.

**Q** Would UMMS ever mandate overtime?

**A** Mandatory overtime hours may be required in the event of staffing shortages or emergencies, if authorized by the vice president with responsibility for the particular department or nursing unit. Mandatory overtime assignments shall meet any applicable requirements under Maryland law.

**Q** To whom does this policy apply?

**A** This policy applies to non-exempt, hourly employees who are paid hourly. It does not apply to exempt, salaried employees.

**Q** Does this policy apply to UMMS employees who are subject to a collective bargaining agreement?

**A** Employees should review the language in the labor contract.

**Q** What should an employee do if s/he thinks there’s an error in pay?

**A** We encourage employees to first contact their Human Resources Representative. An employee also may contact UMMS Corporate Compliance and Business Ethics Group. All concerns will be investigated and there will be no retaliation for raising concerns.