

### **Change in USNH policy relative to hours worked in excess of 8 per day:**

Current USNH policy provides overtime payment to hourly employees for any hours worked in excess of 40 hours in a week or 8 hours in a day. **Effective July 1, 2009, USNH Policy will change to eliminate overtime pay for more than 8 hours in a day.** This USNH policy and the business process required to support the policy were reviewed by various System-wide committees. **Hourly employees will continue to receive overtime payment for hours worked in excess of 40 in a week, in accordance with the federal Fair Labor Standards Act (FLSA). Overtime compensation may be in the form of compensatory time in lieu of a monetary payment.** Compensatory time, if taken, is the result of mutual written agreement between the supervisor and the employee prior to the performance of the work, without any coercion or pressure by the supervisor.

In the past, a Waiver of Overtime Form was required at the beginning of each fiscal year for those employees who had flexible work schedules that involved working more than 8 hours in a day. The policy change will allow supervisors and staff the opportunity to arrange flexible work hours without the need for a waiver.

For the transition into the new fiscal year, this change will be instituted with the first complete payroll after the effective date for work performed July 11, 2009 through July 24, 2009 with a payment date of Friday July 31, 2009.

What is Premium overtime pay? This is payment made to any hourly employee for work that exceeds more than 40 hours in a work week, per FLSA and USNH policy. The payment rate is equivalent to 50% of the employee's overtime regular hourly pay rate times the number of hours worked in excess of 40. The regular hourly pay rate is the accumulation of the employee's regular base pay, any shift premium pay, longevity pay, stand-by pay, call-in pay, bonus payments, and additional pay divided by the total number of hours worked during the week.

- Operating staff employees with a FTE base of 37.5 hours per week are paid at the base job rate for the first 2.5 additional hours worked per week. Additionally, all hours worked over 40 hours are paid at both job base rate and also at the premium overtime regular rate (50% of overtime regular rate).
- Operating staff employees with a FTE base of 40 hours per week are paid at the base job rate for all hours and also at the premium overtime pay rate (50% of the overtime regular rate) for any hours worked over in excess of 40 hours in a week.
- Hourly and student employees working in excess of 40 hours per week are paid both the straight time rate for all hours and also at the premium overtime pay rate (50% of the regular hourly rate).

Premium overtime pay is provided on hours worked and does not include the use of accrued paid time off like Earned time or sick pool.