

## *Chapter 8*

# Hours of work and overtime

## Hours of work

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From a wage and hour standpoint, it is advisable for a Maryland employer to define in its employee handbook or in a written employment policy the employer's workweek and normal office and production hours. If applicable, different shifts also may be described. Setting forth lunch, break, and wash-up periods also is advisable because it provides employees with notice of the policy and enables supervisors to more easily discipline those who deviate from it. Communicating these expectations to employees also may be helpful in setting essential requirements of the job under the ADA and in avoiding paying unemployment compensation to employees who voluntarily leave their employment because they are unable to work the required schedule.

Employers in Maryland should note, however, that neither federal nor Maryland law requires an employer to provide lunch or break periods. However, federal regulations require that if such breaks are provided they must be compensated if they are of 20 minutes or less in duration.

**HOURS OF WORK (OPTION 1)**

*\*This policy is legally desirable*

**Workweek**

The workweek is Monday through Sunday. Day (first) shift is from 7:00 a.m. to 3:00 p.m. Evening (second) shift is from 3:00 p.m. to 11:00 p.m. Night (third) shift is from 11:00 p.m. to 7:00 a.m.

**Wash-up Periods**

A non-exempt employee will receive a paid wash-up period of five minutes immediately before his or her lunch and a paid wash-up period of five minutes immediately before the end of his or her shift.

**Break Periods**

A non-exempt employee will receive a paid break period of 10 minutes in the first four hours of a shift lasting at least four hours and a paid break period of 10 minutes in the second four hours of a shift lasting at least eight hours. The Company will continue its practice of offering an unpaid supper period when extended overtime is worked into late evening hours.

**Lunch Periods**

A non-exempt employee will receive an unpaid lunch period of 30 minutes during a shift lasting more than four hours. The timing of the lunch period for each employee shall be solely at the discretion of the employee's supervisor.

**HOURS OF WORK (OPTION 2)**

*\*This policy is legally desirable*

The Company normally is open for business between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. These are the **standard working hours**, which may be modified only with supervisory consent or direction. All employees are expected to be at their desks or work stations at the start of their scheduled shifts, ready to perform their work.

Each employee will receive a one-hour unpaid lunch period each day. The timing of this break for each employee will be designated by the employee's supervisor.

## **Timekeeping requirements**

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Under the federal Fair Labor Standards Act (FLSA), employers must keep accurate records of all hours worked by their non-exempt employees. A timekeeping provision such as the sample policy can help facilitate compliance with these requirements.

While the sample policy also can be used with time clocks, there is no legal requirement that such clocks— as opposed to other means – be used to record non-exempt work time. The FLSA merely requires that such time be recorded and kept accurately by the employer.

## TIMEKEEPING REQUIREMENTS

*\*This policy is legally desirable*

All non-exempt employees must accurately record **time worked** on a time card for payroll purposes. Employees are required to record their own time at the beginning and end of each work period, including before and after the lunch break. Employees also must record their time whenever they leave the building for any reason other than Company business. Filling out another employee's time card, allowing another employee to fill out your time card, or altering any time card will be grounds for discipline up to and including termination.

Salaried exempt employees also may be required to record their time on either a time card or time sheet.

Any errors on your time card should be reported immediately to your supervisor, who will attempt to promptly correct legitimate errors.

# Overtime

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Employers must comply with the requirements of the FLSA concerning overtime premium pay for non-exempt employees. A well-written and legally sound overtime policy may assist the employer in complying with this statute. Non-exempt employees are generally entitled to receive a premium rate of one and one-half times the employee's regular rate of pay for hours **actually worked** in excess of 40 per predefined workweek. The provision for double time pay for holiday work in the sample policy is optional. Salaried exempt employees are not entitled to overtime pay under the FLSA.

An employee's "regular rate of pay" for overtime under the FLSA can include other forms of compensation such as commissions, bonuses, and gifts. Therefore, calculating overtime pay is not as straight-forward as it may first appear. An employer should contact its employment law attorney to ensure that it is calculating overtime correctly.

Employers are obligated to pay overtime premiums if they knew or had reason to believe that employees were working overtime hours, even if the hours worked were not specifically authorized by the employer. It is therefore recommended that employers include a requirement that overtime hours be authorized in advance. This rule should be enforced consistently and impartially. Then, if an employee works unauthorized overtime, although it must pay the employee for that time, the employee will be subject to discipline under the employer's policy.

## OVERTIME POLICY

*\*This policy is legally desirable*

### **Time-and-a-half**

The Company pays one and one-half times a non-exempt employee's hourly rate for all hours worked over 40 in any workweek. Non-exempt employees are those who work in positions for which an overtime premium must be paid under the Fair Labor Standards Act.

### **Double Time**

The Company pays two times a non-exempt employee's hourly rate for all hours worked on any Company-designated holiday.

### **Limitation on Overtime Pay**

Overtime pay (premium rates) shall not be paid twice for the same hours (pyramiding). Paid hours not actually worked (for example, vacation, holidays, etc.) will not be counted toward the 40 hours per workweek required to receive overtime pay.

### **Assignment of Overtime Work**

When overtime work is required by the Company on a particular job on a shift commencing on a day other than Saturday, Sunday, or a holiday, the non-exempt employee performing that job at the conclusion of his or her straight-time hours will normally be expected to continue to perform the job on an overtime basis. When overtime work is assigned by the Company on a Saturday, Sunday, or holiday, it generally will be assigned in order of seniority to the employees who regularly perform the particular work involved.

When overtime is required by the Company on a Sunday or on a holiday, the Company will endeavor to give the employees required to work notice of their assignment during their last shift worked prior to such Sunday or Holiday.

### **Supervisor Authorization**

No overtime may be worked by non-exempt employees unless specifically authorized by supervision or management. Any violations of this policy shall subject the offending employee to discipline under the Company's progressive discipline policy.

**PAYROLL DIRECT DEPOSIT FORM**

DATE: \_\_\_\_\_

\_\_\_\_\_  
(Employee's Name)

I hereby authorize the payroll direct deposit actions described below.

\_\_\_\_\_  
(Employee's Signature)

ACCOUNT TYPE AND NUMBER	ACTION TO BE TAKEN	NEW TOTAL DEDUCTION EACH PAY PERIOD
<b>CHECKING</b>	<input type="checkbox"/> Begin Direct Deposit	\$
_____ (Account Number)	<input type="checkbox"/> Change Direct Deposit	
_____ (Bank Routing Number)	<input type="checkbox"/> Cancel Direct Deposit	
_____ (Bank Name)	_____ (Bank Location/City)	
<b>SAVINGS</b>	<input type="checkbox"/> Begin Direct Deposit	\$
_____ (Account Number)	<input type="checkbox"/> Change Direct Deposit	
_____ (Bank Routing Number)	<input type="checkbox"/> Cancel Direct Deposit	
_____ (Bank Name)	_____ (Bank Location/City)	

PLEASE ATTACH A COPY OF A VOIDED CHECK AND  
RETURN TO PAYROLL DEPARTMENT.

<b>EMPLOYEE PAYROLL CHANGE NOTICE</b>
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Name: \_\_\_\_\_

Payroll No.: \_\_\_\_\_

Department: \_\_\_\_\_

Social Security No.: \_\_\_\_\_

Effective Date: \_\_\_\_\_

Change of:

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Name                       | <input type="checkbox"/> Leave of Absence            | <input type="checkbox"/> Completion of Training     |
| <input type="checkbox"/> Address                    | <input type="checkbox"/> Workers' Compensation       | <input type="checkbox"/> Benefit Coverage           |
| <input type="checkbox"/> Telephone Number           | <input type="checkbox"/> Military                    | <input type="checkbox"/> Authorized Deduction       |
| <input type="checkbox"/> Marital Status             | <input type="checkbox"/> Educational                 | <input type="checkbox"/> Separation from Employment |
| <input type="checkbox"/> Wage Rate                  | <input type="checkbox"/> Jury Duty                   |   |
| <input type="checkbox"/> Department                 | <input type="checkbox"/> Medical and/or Family Leave |   |
| <input type="checkbox"/> Position                   | Purpose: _____                                       |   |
| <input type="checkbox"/> Emergency Contact          | _____  |   |
| <input type="checkbox"/> Full-Time/Part-Time Status | _____  |   |

FROM	TO

Date: \_\_\_\_\_

Submitted by: \_\_\_\_\_  
(Supervisor)

Date: \_\_\_\_\_

Received by: \_\_\_\_\_  
(Personnel/Payroll)

**SALARY CHANGE RECOMMENDATION FORM**

EMPLOYEE NAME \_\_\_\_\_ SS# \_\_\_\_\_ HIRE DATE \_\_\_\_\_

DEPARTMENT \_\_\_\_\_ PERFORMANCE RATING \_\_\_\_\_

PRESENT SALARY \_\_\_\_\_ JOB GRADE \_\_\_\_\_ TITLE \_\_\_\_\_

RECOMMENDED SALARY \_\_\_\_\_ JOB GRADE \_\_\_\_\_ TITLE \_\_\_\_\_

AMOUNT/PERCENT/DATE OF INCREASE \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

AMOUNT/PERCENT/DATE OF PREVIOUS INCREASE \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

REASON FOR INCREASE:  MERIT  PROMOTION  EQUITY  OTHER

STATUS:  EXEMPT  NONEXEMPT

EFFECTIVE DATE OF INCREASE \_\_\_\_\_

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SUPERVISOR SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

MANAGER SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

EXECUTIVE SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

PERSONNEL SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

DATE NEXT ELIGIBLE FOR INCREASE: \_\_\_\_\_

