

Compensation & Classification FAQ's

1. **Who is an exempt employee?** An employee who is exempt under the Fair Labor Standards Act does not have to be paid overtime when he/she works more than 40 hours in a workweek. The three major general exemptions relate to executives, administrative employees, and professionals. Exempt status is based on the employee's actual job duties and responsibilities.
2. **Who is a non-exempt employee?** A nonexempt employee is entitled to overtime pay under the Fair Labor Standards Act. Overtime at Prairie View A&M University is paid at a rate of one and one-half the non-exempt employee's regular rate of pay for each hour worked in excess of 40 hours per week.
3. **What will happen if an exempt position is determined to be nonexempt (eligible for overtime)?** Employees in nonexempt positions will now have to record the hours worked in order to be paid and their wage rate will be at time and a half of the regular hourly rate or they will receive compensatory time at one and one-half rate for hours worked over forty (40 hours) in a regular work week. Employing departments should be aware that international student employees have federal restrictions preventing them from working more than 40 hours a week without loss of their legal status in the US, ultimately making them ineligible for further employment.
4. **How does System policy address overtime and compensatory time for exempt employees?** Texas A&M University System Regulation 31.01.09, on overtime, states that "*Employees who are exempt under FLSA are not compensated under the federal or state overtime provisions.*" However, in cases where an exempt employee is required to work on a scheduled holiday, the employee will be provided an equal amount of time off during the 12 month period following the date of the holiday worked.
5. **Does compensatory time, whether it is overtime or straight, have a maximum amount? If so, what happens to the excess?** Only overtime compensatory time has a maximum, which is normally 240 hours except for employees who work in public safety, emergency response, or seasonal activities. These employees can accrue 480 hours. Any overtime worked beyond those limits must be paid.
6. **What is dual employment?** Dual employment occurs when an employee occupies two (or more) separate positions with Texas state government. An example is an employee who works in Department "A" and also works part-time in Department "B". Authority to approve this type of arrangement has been delegated to the department heads involved.
7. **How do you calculate overtime pay in dual employment arrangements?** If the salary rate for each job is the same, there is no problem. However, in these dual employment arrangements, it is not uncommon for an employee to be paid at different rates for each job. The Department of Labor says that you cannot use the rate of only the secondary job to calculate overtime, unless all overtime hours are worked in that secondary job. When an employee in a single workweek works at two or more different jobs for which different rates have been established, a regular rate of pay has to be established upon which to calculate overtime pay. When this situation occurs, the overtime rate of pay will be based on the highest paid position in which the employee was working.
8. **Does the department need to submit a Position Description to the Classification and Compensation Services for a wage position?** No, the department does not have to submit a Position Description to establish a wage position.
9. **What pay rate can a department offer a wage employee?** Classification and Compensation Services recommends that the hiring department pay wage employees the established salary minimum rate for each classified position.
10. **What happens if the wage employment needs to be extended beyond the four and one-half months in a fiscal year?** Employment in wage position (excluding student worker positions) at fifty percent effort (20 hours) or more cannot be extended beyond four and one-half months in a fiscal year. The employee will need to be terminated. If the department has a need for position

for longer than four and one-half months, a budgeted position must be created. The department will have to submit a Position Description through appropriate channels of approval to the Classification and Compensation Office to "Establish a Position". Once the Position Description has been approved, through issuance of approval documentation from HR, the newly established position will have to be posted as a vacancy notice. The employee who has been working in a wage capacity may apply for the newly created position.