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# MANAGEMENT DIRECTIVE

525.15 Amended  
Number

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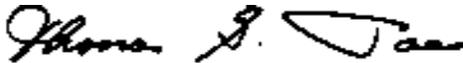
## COMMONWEALTH OF PENNSYLVANIA GOVERNOR'S OFFICE

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Subject:

Overtime

By Direction Of:

  
Thomas G. Paese, Secretary of Administration

Date:

February 10, 1997

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Agencies are delegated the authority to provide overtime compensation to certain Commonwealth employees subject to the conditions and guidelines outlined in this directive. Overtime expenditures should be carefully controlled and monitored to prevent an unwarranted escalation of costs. This directive is being amended to update and contains minor changes.

1. **PURPOSE.** To provide guidelines for compensating exempt management employees for overtime work.

2. **SCOPE.** This directive applies to employees in all agencies under the Governor's jurisdiction.

3. **DEFINITIONS.**

a. **Overtime work.** Work performed by an employee in excess of a regular full-time work schedule in the same position.

b. **Overtime compensation.** Compensatory time or pay at straight-time or premium rates, whichever is applicable.

c. **Fair Labor Standards Act (FLSA) Codes.** Codes which are assigned to each classification and are listed in *Manual M525.2, Commonwealth Pay Plan*. The FLSA Codes are used in determining eligibility for and validation of overtime. These codes are assigned based on the

exempt/nonexempt status of the classification under the FLSA; the bargaining unit of the classification; and authorization by the Office of Administration.

d. **Nonexempt employee.** An employee covered by the *Fair Labor Standards Act* and all of the overtime provisions under the Act.

e. **Exempt employee.** An employee covered by the *Fair Labor Standards Act* but exempt from the overtime provisions under the Act by virtue of executive, administrative, professional, or recreational exemptions.

f. **Noncovered employee.** An employee not covered by the *Fair Labor Standards Act* and its overtime provisions.

g. **Management employee.** An employee in a class coded as management in the *Commonwealth Pay Plan* or, for the purpose of this directive, an employee in a class not covered by a collective bargaining agreement or memorandum of understanding.

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**h. Bureau Director.** An employe who directs a bureau or an equivalent organizational unit. An Institution Head, County Board of Assistance Executive Director, Regional Environmental Protection Director, and Highway District Engineer, and employes in positions in the Senior Management Service are examples of positions equivalent to Bureau Directors. The Office of Administration will assist agencies, if necessary, in determining which positions are equivalent to Bureau Directors.

**4. POLICY.** The use of overtime work shall be kept to a minimum. Agency Heads shall strictly control the amount of paid overtime authorized for all employes. In this regard, Agency Heads are to authorize work and compensation in compliance with the following guidelines:

**a.** Exempt management employes will not be compensated for overtime work which has not been authorized by the Agency Head or designee.

**b.** Agency Heads are authorized to approve overtime work for all eligible employes in their respective agencies. Compensation for overtime work shall be administered in compliance with the *Fair Labor Standards Act Codes* according to the following guidelines:

(1) Employes covered by labor agreements and memoranda of understanding, applicable provisions of labor agreements and memoranda of understanding, or the provisions of the *Fair Labor Standards Act*, whichever provides the maximum benefit.

(2) All other employes – *Sections 27.71 through 27.76 of Management Directive 505.7, Personnel Rules.*

Approval by the Agency Head or designee for overtime work for all employes, except exempt management employes, automatically constitutes authorization to compensate them for that work. Overtime compensation for exempt management employes will be administered in accordance with paragraphs (4)c. and d.

**c.** Agency Heads may, at their discretion, compensate exempt management employes for overtime work. Compensatory time off at the straight-time rate (or a fraction thereof) shall be the

normal method of compensating these employes for the overtime work. Payment for overtime work will not be considered under ordinary circumstances. Agency Heads may pay exempt management employes below the level of Bureau Director for over-time work under the following conditions:

(1) Payment will be at the straight-time rate (or a fraction thereof).

(2) The employe does not control his or her work schedule.

(3) There is no opportunity to grant compensatory time off.

(4) An inequity arises between an employe in a union covered class and an employe in a similarly rated exempt management class, i.e., a Computer Programmer IV, pay range 8, is scheduled to work overtime. The employe is authorized to be paid straight-time overtime pay because the Computer Programmer IV class is covered by a memorandum of understanding with this overtime provision. At the same work location, a Computer Systems Analyst III, pay range 8, is scheduled to work overtime. This is an exempt management class, but by not paying straight-time overtime pay may cause a morale problem.

**d.** The executive staff of department heads such as Executive Assistants, Special Assistants, Legislative Liaisons, and Public Relations Personnel and employes in the Attorney classifications are exempted from this directive and are to receive no additional compensation for work in excess of their regular work hours.

**e.** The Office of Administration will conduct an annual audit of overtime payments made by each agency. A continued pattern of noncompliance with this directive may result in a rescission of the agency's authority to approve overtime pay.

**5. PROCEDURES.** Requests to pay exempt management employes for overtime work will be initiated by the time the work is scheduled or as soon as possible following the performance of the work, if compensatory time cannot be granted.

Action By	Step	Action
Supervisor/ Manager Requesting Overtime Pay.	1.	Prepares request for overtime which must include clear justification based on the criteria in this directive.
	2.	Signs and forwards request to agency approving authority as provided in agency directives or regulations.
Agency Head or Designee.	3.	Approves or disapproves request. If approved, forwards to agency comptroller for payment.
Bureau of Personnel, OA.	4.	Receives quarterly report from CMIC to audit overtime payments made by each agency.

**This directive supersedes Management Directive 525.15 dated September 17, 1990.**