



Supervisor's Guide to Scheduling and Premium Pay

Handbook F-401
August 2000

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Transmittal Letter

- 1. Explanation.** This handbook is provided as a management tool to assist in the continuing maintenance of *time and attendance* in compliance with the Fair Labor Standards Act (FLSA), postal policy, and established contractual agreements.
- 2. Revision.** This revision replaces Handbook EL-401, *Supervisor's Guide to Scheduling and Premium Pay*.
- 3. Distribution.** Copies may be requisitioned from the material distribution centers by using PS Form 7380, *MDC Supply Requisition*, during regular requisitioning cycles.

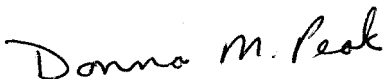
4. Comments and Questions.

1. Address any comments or questions to:

MANAGER PAYROLL ACCOUNTING
UNITED STATES POSTAL SERVICE
475 L'ENFANT PLZ SW RM 8831
WASHINGTON DC 20260-5243

2. References and excerpts from other directives contained in this handbook are current as of the date of this handbook. Refer to the original directive if there is any question about the accuracy, completeness, or current status of the reference or excerpt.

- 5. Effective Date.** This handbook is effective upon receipt.



Donna M. Peak
Acting Vice President, Finance,
Controller of the Postal Service

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1. Introduction

This handbook is provided as a management tool to assist in the continuing maintenance of time and attendance in compliance with the Fair Labor Standards Act (FLSA), postal policy, and bargaining agreements. The information contained in chapters 1-6 of this handbook applies to bargaining unit employees who are assigned to post offices, mail processing plants, bulk mail centers, and airmail facilities who are covered by the National Agreements with the American Postal Workers Union, AFL-CIO (APWU); the National Association of Letter Carriers, AFL-CIO (NALC); and the National Postal Mail Handlers Union, A Division of the Laborers' International Union of North America, AFL-CIO (NPMHU). It does not apply to rural carriers, bargaining unit nurses, or security force employees. The purpose is to provide each supervisor and manager in those postal installations with a source document of related information pertinent to day-to-day time and attendance situations. The contents represent policies and procedures contained in existing postal directives: Handbook F-21, *Time and Attendance*; Handbook F-22, *PSDS Time and Attendance*; and the *Employee and Labor Relations Manual* (ELM). These directives should be cited as the authoritative references when noting policies and procedures. Not every question or policy relating to time and attendance is presented. However, the major topics of concern to each line supervisor and manager are addressed. Remember, each postmaster, manager, and supervisor is responsible for ensuring that employees are properly compensated for work performed. The responsibility is ongoing.

ing and must be met on a day-to-day basis to assure effective compliance.

To maintain consistency with Postal Service automated timekeeping systems, all references to times of the day use the 24-hour clock, which breaks portions of hours into hundredths. For example,

12:00 midnight	=	0000 hours
12:15 a.m.	=	0025
2:30 a.m.	=	0250
6:45 a.m.	=	0675
12:00 noon	=	1200
3:00 p.m.	=	1500
6:05 p.m.	=	1808
11:25 p.m.	=	2342

All managers and supervisors must exercise proper control to eliminate unauthorized work and avoid compensation liabilities in this area. Supervisors and managers must implement all postal policies that relate to time and attendance to ensure the proper compensation of employees.

2. Scheduling, Premium Pay, and Unexpected Workhour Liability

A. Introduction

Scheduling employees is an operational function that is based on workload projection and service commitments. Supervisors schedule employees in a process that factors:

- 1) Those actions necessary to meet service standard commitments.
- 2) Scheduling and assigning employees to achieve desired productivity rates, within budgetary constraints.

Compensation rules contained in the National Agreements with labor organizations and the Fair Labor Standards Act (FLSA) often require that the Postal Service pay employees more than a flat hourly rate. As a result, the traditional concern of reducing planned and authorized workhours must be augmented and complemented by an increased concern for minimizing premium pay hours (e.g., night differential, Sunday, holiday, out-of-schedule), guaranteed hours, and unauthorized overtime hours.

FLSA nonexempt employees must be paid for all time that they work, whether or not the work is authorized. It is the responsibility of the supervisor to minimize the occurrence of these unauthorized workhours and to minimize (consistent with operational requirements) the use of premium pay hours.

B. Scheduling and Premium Pay Situation Analysis

The knowledge and application of time and attendance policies can assist supervisors in managing their operations in a cost effective manner. The following situations tell how to do this:

- Post Office X traditionally scheduled Tour 1 employees to report for duty at 2350. A supervisor recently assigned to Tour 1 analyzed the workload and service standard factors. This supervisor concluded that productivity gains and improved mail flow could be achieved by changing Tour 1 employees' reporting times from 2350 to 0050. In addition to productivity and operational improvements, the change of starting times was cost effective. Five employees scheduled to work at 2350 Saturday night (Sunday service day) and 2350 Sunday night (Monday service day) had been getting 16 hours of Sunday premium pay per week. Changing those employees to a 0050 reporting time changed their Sunday premium eligibility to 8 hours per week. Additionally, 1 hour of night differential per service day per employee was saved by the change of reporting time. It should be noted that *employees' schedules must not be changed solely to avoid the payment of Sunday premium*. They may, however, be changed for sound operational reasons.

- A maintenance employee who normally reports at 1600 was called in at 0900 because of a major mechanical problem. The employee's work was completed at 1150. The supervisor directed the employee to go ahead and work until 1750, then go

home for the day. The supervisor mistakenly assumed that a management initiated schedule change would keep the workhours to 8. Since the employee was ordered to clock out at 1750 and not given the opportunity to work his or her regular tour, the Postal Service is liable for:

- 6½ hours of postal overtime (4½ of which is penalty overtime) for the period between 0900 and the start of the scheduled tour at 1600.
- 1½ hours at the straight-time rate for the period between 1600 and 1750.
- *Plus* 6½ hours of administrative leave at the straight-time rate for the unworked portion of the employee's scheduled tour between 1750 and 0050.

In this example, the Postal Service receives 8 hours work, but pays for 14½ hours, plus premiums.

Alternatively, if the employee was told to work the remaining 1½ hours of the guarantee period (0900-1300) when the job was completed, then told to report back to work the regularly scheduled tour, (1600-0050), he or she would have been paid:

- 4 hours at the overtime rate (2 of which is penalty overtime) for the period between 0900 and 1300.

- 8 hours at the straight-time rate for the period between 1600 and 0050.

In this way, the Postal Service pays for and receives 12 hours of actual work, plus premiums.

- A carrier, who was scheduled to clock out at 1500, clocked out an average of 10 minutes late each day for 5 days in a row. The supervisor did not observe whether or not work was performed during these periods and could not disallow the unauthorized overtime. This supervisor had to live with almost 1 hour of unauthorized overtime on the route for the week, with penalty overtime on day 5. Had the supervisor observed that no work was performed, and known when and how to disallow this overtime, he or she could have saved that hour of unauthorized overtime. Note that the supervisor in this example could not disallow the unauthorized overtime. However, this supervisor should have corrected the situation by conducting discussions with the employee or by administering appropriate discipline.

3. Premium and Overtime Pay Situations

A. Introduction

The purpose of this chapter is to identify the conditions that result in premium and overtime pay. Proper application of this knowledge will assist the supervisor in efficiently scheduling employees, while ensuring that employees are properly compensated.

B. Night Differential Premium

Night differential is a premium that is paid to eligible employees for all work and paid training or travel time performed between 1800 and 0600. Generally, all bargaining unit (including transitional) and casual employees are eligible for night differential. For specific eligibility requirements, refer to Exhibit 3-1.

Eligible employees who are regularly assigned to a night tour of duty are entitled to receive an equivalent amount of night differential when:

- 1) Rescheduled to day work to participate in compensable training.
- 2) On court leave.
- 3) On military leave.
- 4) In a Continuation of Pay (COP) status.
- 5) Rescheduled to day work due to a compensable disability in lieu of placement in a COP status. (See ELM Exhibit 434.2.)

Exhibit 3-1

**Night Differential Pay Eligibility for Bargaining Unit
(RSC M, P, Q, C, A, and K) and Casual (RSC E)
Employees**

Employee Category	Eligibility
Full-Time Regular	Yes
Part-Time Regular	Yes
Part-Time Flexible	Yes
Transitional	Yes
Casual	Yes

(Reference ELM Exhibit 434.2)

C. Sunday Premium

Sunday premium is paid to eligible employees for all work and paid training or travel time performed during a scheduled tour that includes any part of a Sunday. See Exhibit 3-2 for eligibility requirements.

Notes:

1. An employee who is eligible for Sunday premium may also be eligible for other premiums for the same tour. (See ELM Exhibit 434.8.)
2. A bargaining unit employee may not be credited with Sunday premium in excess of: the hours worked per tour; 8 hours per tour; or, 16 hours per service week. (See ELM 434.31b.)
3. Sunday premium does not apply if Sunday time is due only to late clocking out or early clocking in. (See ELM 434.31c.)
4. If an employee is on leave for any part of the tour, he or she is not eligible for Sunday premium for the leave hours.

Employees' schedules *must not* be changed solely to *avoid* the payment of the Sunday premium. However, as the need arises, employees' schedules should be changed consistent with changes in mail flow, dispatches, etc. Schedule changes must be made in accordance with provisions of the National Agreements.

Exhibit 3-2

**Sunday Premium Pay Eligibility for Bargaining Unit
(RSC M, P, Q, C, A, and K) and Casual (RSC E)
Employees**

Employee Category	Eligibility
Full-Time Regular	Yes
Part-Time Regular	Yes
Part-Time Flexible	Yes
Transitional	No
Casual	No

(Reference ELM Exhibit 434.3)

D. Out-of-Schedule Premium

- 1) **Definition:** Out-of-schedule premium is paid to eligible full-time bargaining unit employees for time worked outside of, and instead of, their regularly scheduled workday or work-week when employees work on a temporary schedule at the request of management. (See ELM 434.611.)
- 2) **Notification Requirement:** If notice of a temporary change is given to an employee *by Wednesday of the preceding service week*, even if this change is revised later, the employee's time can be limited to the hours of the revised schedule and *out-of-schedule premium* is paid

for those hours worked outside of, and instead of, his or her regular schedule. (See ELM 434.612a.)

- 3) Noncompliance with the Notification Requirement:** If notice of a temporary schedule change is *not* given to the employee by Wednesday of the preceding service week, the employee is entitled to work his or her regular schedule. Therefore, any hours worked in addition to the employee's regular schedule are not worked "instead of" his or her regular schedule. Such additional hours worked are not considered as out-of-schedule premium hours. Instead, they are paid as overtime hours worked in excess of 8 hours per service day or 40 hours per service week. (See ELM 434.612b.)

Example: A supervisor plans ahead and notifies an employee by the Wednesday of the preceding service week to work a temporary schedule the following service week from 0600 to 1450, instead of his or her regular schedule from 0800 to 1650. The employee is paid 2 hours out-of-schedule premium for the hours worked from 0600 to 0800 and 6 hours straight time for the hours worked from 0800 to 1450. (See ELM 434.615.)

If the same situation occurred, except that the notification requirement was not met, the time between 0600 and 0800 is postal overtime, and the time between 0800 and 1650 (the regular schedule) is payable as straight time. If the employee was sent home at 1450, he or she must

be paid for the 2 hours between 0600 and 0800 at the overtime rate, straight time for the period from 0800 to 1450, and 2 hours administrative leave for the period from 1450 to 1650.

- 4) Exceptions:** Eligible employees do *not* receive out-of-schedule premium when any of the following conditions apply (see ELM 434.622):
- a. Training:** Attending a recognized training session that is a planned, prepared, and coordinated program or course.
 - b. Request of Employee:**
 - (1) Schedule change is requested by the employee for personal reasons and is agreed to by the employee's supervisor and shop steward or other collective bargaining representative. The employee must complete PS Form 3189, *Request for Temporary Schedule Change for Personal Convenience*, and obtain all required signatures.
 - (2) Assignment is made to accommodate a request for intermittent leave or a reduced work schedule for family care or a serious health problem of the employee. (See ELM 515.6.)
 - c. Tardiness:** Allowed or directed to make up time missed due to tardiness in reporting for duty.

d. *Detail Assignments* (when detailed to):

- (1) Postmaster position as officer-in-charge.
- (2) Rural carrier position.
- (3) Ad hoc position for which the employee applied and was selected, when the core responsibilities require an irregular schedule.
- (4) Bargaining or nonbargaining position in grade 19 or above.
- (5) Any nonbargaining position, if the employee is in the clerk, maintenance, motor vehicle, or materiel support craft.

e. *Bids*: Schedule change is in accord with and permitted by a bid.

f. *Light Duty*: Assigned to light duty according to the provisions of the collective bargaining agreement, or as required by the Federal Employee Compensation Act (FECA), as amended.

g. *Holidays*: Working on an actual or designated holiday. However, holiday scheduling premium may be payable to eligible employees under certain conditions. (See section E, page 16.)

h. *Nonscheduled Days*: Working on a nonscheduled day of the regular schedule. There is no regular schedule on a nonscheduled day. Eligible employees receive overtime for working on nonscheduled days.

- i. *Pool Type Assignments:* Working a relief pool assignment that is a full-time bid position that has varied schedules for the purpose of covering temporary relief assignments. Employees in these types of assignments must be notified by the last working day prior to the schedule change. These employees are exempt from the Wednesday notification requirement.
- j. *Canceled Leave:* Employee works on a regularly scheduled day for which annual leave had been previously approved. Normally, when an employee's annual leave request has been approved, it should not be canceled. However, if it becomes necessary to schedule an employee on a day for which annual leave had been approved, the annual leave will be rescinded. The employee will be compensated at the regular rate for the hours worked.

5) Unassigned Regular Full-Time Employees:

All unassigned regular full-time employees must be assigned regular work schedules. When not assigned to a posted position, employees assume, as their regular work schedule, the hours worked in the first week of the pay period in which the change to unassigned regular occurred. When a part-time flexible (PTF) employee is converted to full-time regular, and is not assigned to a full-time bid position, the employee becomes an unassigned regular. (See article 7, section 3, of the National Agreements.)

These employees are assigned *regular work schedules* and are eligible for out-of-schedule premium. Temporary rescheduling must be compensated at the appropriate premium rates(s).

A management-directed permanent assignment of an unassigned regular to a specific posted position, which went unbid in accordance with provisions in the National Agreement, requires no payment of out-of-schedule premium.

- 6) **Maximization/Full-Time Flexible:** When the senior part-time flexible is converted to full-time status as a result of maximization, that employee will have flexible reporting times, flexible nonscheduled days, and flexible reporting locations within the installation depending upon operational requirements as established on the preceding Wednesday. Once this schedule has been established and posted, the employee is entitled to work that schedule. Any hours that the employee is required to work beyond this schedule are “in addition to” the scheduled hours and are paid as overtime. (See section 3 and ELM 434.612b.)
- 7) **Rescinded Schedule Changes:** Temporary changes in schedule can be rescinded at any time up to the day before the schedule change without incurring out-of-schedule liability.

- 8) Compounding of Premium Pay:** Out-of-schedule premium is not paid to an employee who is properly notified of a schedule revision (by Wednesday of the preceding week), but who subsequently is required to work the hours of his or her normal schedule. The hours worked outside of that schedule would then be in addition to, not instead of, the regular schedule. Payment of both out-of-schedule and overtime would violate the pyramiding provision of the National Agreements.

Example: A full-time regular employee's nonscheduled days are temporarily revised from Saturday and Sunday to Thursday and Friday. The employee works on Saturday and Sunday with the expectation of being off on Thursday and Friday. Subsequently, because of workload, he or she is required to work on Thursday and Friday. The hours worked on Saturday and Sunday are not instead of his or her regular schedule; they are in addition to the regular schedule and are paid for at the overtime rate (including penalty, if eligible). Thursday and Friday are paid at the straight-time rate. (See ELM 434.615.)

- 9) Out-of-Schedule References:** The regulations and procedures for out-of-schedule premium may be found in ELM 434.6; Handbook F-21, *Time and Attendance*, section 232; and Handbook F-22, *PSDS Time and Attendance*, section 232.

Exhibit 3-3

Out-of-Schedule Premium Pay Eligibility for Bargaining Unit (RSC M, P, Q, C, A, and K) and Casual (RSC E) Employees

Employee Category	Eligibility
Full-Time Regular	Yes
Part-Time Regular	No
Part-Time Flexible	No
Transitional	No
Casual	No

(Reference ELM Exhibit 434.621)

E. Holiday Scheduling and Premiums

1) Holiday Schedule: The following 10 days are observed as holidays for full-time and part-time regular schedule employees:

- a.** New Year's Day.
- b.** Martin Luther King, Jr.'s Birthday.
- c.** Washington's Birthday/Presidents' Day.
- d.** Memorial Day.
- e.** Independence Day.
- f.** Labor Day.
- g.** Columbus Day.
- h.** Veteran's Day.
- i.** Thanksgiving Day.
- j.** Christmas Day.

On these holidays, eligible employees receive holiday leave pay for a number of hours equal to their regular daily work schedule, not to exceed 8 hours. (See ELM 434.412.)

If a holiday falls on an eligible employee's regular scheduled workday, including Saturday or Sunday, the employee observes the holiday on that day. (See ELM 434.413.)

When a holiday falls on an employee's scheduled nonwork day (except Sunday), the first scheduled day preceding the holiday is designated as the employee's holiday. (See ELM 434.414.)

When a holiday falls on a Sunday that is a scheduled nonwork day for an employee, Monday is designated as the employee's holiday. However, if Monday is also a scheduled nonwork day, then Saturday is designated as the employee's holiday. (See ELM 434.415.)

- 2) Holiday Worked/Christmas Worked Pay:** Eligible employees who are required to work on their holiday or designated holiday are paid (in addition to any pay for holiday leave to which they may be entitled) their basic hourly straight-time rate for each hour worked up to 8. (See ELM 434.531.) Eligible employees who are required to work on Christmas day or their designated Christmas holiday are paid, in addition to authorized holiday leave and holiday worked pay, Christmas worked pay at 50% of the base hourly straight-time rate. However, Christmas work pay is not authorized during hours of overnight travel on a nonscheduled day. (See ELM 434.532.)

Exhibit 3-4

**Holiday Worked Pay Eligibility for Bargaining Unit
(RSC M, P, Q, C, A, and K) and Casual (RSC E)
Employees**

Employee Category	Eligibility
Full-Time Regular	Yes
Part-Time Regular	Yes
Part-Time Flexible	No ¹
Transitional	No
Casual	No

(Reference ELM Exhibit 434.521)

¹ PTFs are eligible for Christmas worked pay for hours actually worked on December 25 (not including hours over 8 in a day or 40 in a week that are paid as overtime).

3) Holiday Scheduling Procedures: The supervisor will determine the skills, number, and categories of employees needed for holiday work. A request for volunteers meeting those requirements should then be posted well in advance of holiday schedule requirements. Management will post the schedule by the Tuesday preceding the service week in which the holiday falls. As many full-time and part-time regular schedule employees as can be spared will be excused from duty on a holiday or day designated as their holiday.

Unless otherwise provided by the Local or National Agreement, the following order should be used for holiday scheduling:

- a. All casual and part-time flexible employees, to the extent possible, even if payment of overtime is required.
- b. All full-time and part-time regular employees who possess the necessary skills and have volunteered to work on the holiday when such day is part of their regular work schedule. Full-time employees would be paid the applicable straight-time rate.
- c. Full-time and part-time regular employees whose scheduled nonwork day falls on the holiday, who have volunteered to work on their nonscheduled day, and possess the necessary skills. Full-time employees would be paid the applicable overtime rate.
- d. Transitional employees.
- e. Full-time and part-time regulars, by reverse seniority, who have not volunteered to work on their holiday, designated holiday, or non-scheduled day. **Note:** The order of scheduling for employees who have not volunteered to work varies depending upon which bargaining agreement covers the employees in question. Consult the applicable bargaining agreement to determine in which order to schedule these employees.

Note: The scheduled hours of work on the holiday need not coincide with the employees' regular schedule.

- 4) Holiday Absence:** A full-time or part-time employee scheduled to work on a holiday who does not work must be placed in a leave without pay (LWOP) status. The employee may not

receive holiday leave pay unless the absence is based on an extreme emergency situation and is excused by the supervisor. If the absence is not excused, the employee will be charged as absent without official leave (AWOL) and may be subject to disciplinary action. (See National Agreements article 11, section 6, and ELM 434.423.)

5) Pay Status: To receive holiday leave pay, an employee must be in a pay status (either work-hours or paid leave) for the last hour of the scheduled workday prior to, or the first hour of the scheduled workday after, the holiday or designated holiday. (See ELM 434.432.)

6) Part-Time Regular: Part-time regular schedule employees who are regularly scheduled to work a minimum of 5 days per service week are eligible for holiday leave pay for a number of hours equal to their regular daily work schedule for the holiday or designated holiday.

Part-time regular schedule employees who are regularly scheduled to work fewer than 5 days in a service week are only eligible for holiday leave pay if the holiday falls on their scheduled workday. If the holiday falls on a nonscheduled day, there is no designated holiday. (See ELM 434.422.) For example, a part-time regular whose regular schedule is 6 hours per day, Tuesday through Friday, would not receive holiday leave for a holiday that falls on a Monday. The employee does not have a designated holiday.

- 7) Holiday Scheduling Premium:** If the holiday schedule is not posted, as of Tuesday preceding the service week in which the holiday falls, a full-time regular bargaining unit employee required to work on the holiday or designated holiday (except Christmas), or who volunteers to work on such day, will receive *holiday scheduling premium*, for each hour of work, not to exceed 8 hours. This premium is in addition to both holiday leave pay and holiday worked pay and is paid at 50% of the base hourly straight-time rate. (See ELM 434.533.)
- a. Emergency Situations:** When an emergency situation attributable to Act(s) of God arises (after the Tuesday posting period), which requires the use of personnel on that holiday in excess of that scheduled in the Tuesday posting, full-time regular employees required to work or who volunteer to work do not receive holiday scheduling premium. (See ELM 434.533b.)
- b. Holiday Work Replacement:** When a full-time regular employee is scheduled to work on a holiday by the Tuesday of the week preceding the holiday, and is unable or fails to work on the holiday, the supervisor may require another full-time regular employee to work such schedule, and such replacement employee will not be eligible for holiday scheduling premium. (See ELM 434.533c.)

Example: Five employees are scheduled to work on their holiday in a section that requires specific scheme knowledge. One employee calls in sick, and the supervisor schedules the next employee with the required skills and the least seniority. No holiday scheduling premium is paid to the replacement.

F. Overtime

There are three types of overtime for which bargaining unit employees may be eligible. These three categories are described below.

1) Postal Overtime

Postal overtime is compensation paid to eligible personnel at 150 percent of each employee's basic hourly rate for actual workhours (see ELM 434.131) that are:

- a.** In excess of 8 hours in a day.
- b.** In excess of 40 hours in a service week.
- c.** On a nonscheduled day (full-time regular employees only).

2) FLSA Overtime

FLSA overtime is compensation paid to nonexempt personnel at 150 percent of each employee's FLSA regular hourly rate for all worktime that management "suffers or permits" to be actually worked in excess of 40 hours worked within an FLSA workweek. (See chapter 6 or ELM 434.132.)

3) Penalty Overtime

Penalty overtime is compensation paid to eligible personnel at two times the employee's basic hourly straight-time rate for hours described in applicable Labor Agreements. Penalty overtime is paid as follows:

- a. Full-time regular employees receive penalty overtime for overtime hours worked:
 - (1) In excess of 8 paid hours on the employee's fifth scheduled day in a service week, if the employee has worked overtime on all four of the previous scheduled days in that service week.
 - (2) In excess of 10 paid hours on a regularly scheduled day.
 - (3) In excess of 8 paid hours on a non-scheduled day.
 - (4) On the employee's second nonscheduled day in a service week, if the employee worked overtime on the first nonscheduled day in that service week.
- b. Part-time regular/flexible employees receive penalty overtime for overtime worked:
 - (1) In excess of 10 paid hours in a service day.
 - (2) In excess of 56 paid hours in a service week.

Hours that are paid at penalty overtime in (1) are not included in the calculation to

determine if the employee is eligible for penalty overtime under (2).

Example: A PTF employee works the following hours:

Saturday	12.00
Sunday	10.00
Monday	10.00
Wednesday	10.00
Thursday	10.00
Friday	11.00

The employee is paid 2 hours of penalty overtime on Saturday for hours in excess of 10 in a day. The employee's total hours for the week are 63.00, so the employee is paid 7.00 hours of penalty overtime for the week — 2 on Saturday and 5 on Friday.

c. Transitional Employees

- (1) NALC TEs are paid penalty overtime under the same conditions as PTFs listed above in section b.
- (2) APWU TEs are *not* eligible for penalty overtime.

Note: Mailhandlers are *not* eligible for penalty overtime.

Exhibit 3-5

Overtime Pay Eligibility for Bargaining Unit (RSC M, P, Q, C, A, and K) and Casual (RSC E) Employees

Employee Category	Postal Overtime	FLSA Overtime	Penalty Overtime
Full-Time Regular	Yes	Yes	Yes ¹
Part-Time Regular	Yes	Yes	Yes ¹
Part-Time Flexible	Yes	Yes	Yes ¹
Transitional	Yes ²	Yes	Yes ²
Casual	No	Yes	No

¹ Mailhandlers are not eligible for penalty overtime.

² Only TEs covered by the NALC agreement are eligible for postal overtime or penalty overtime. APWU TEs are not eligible for postal or penalty overtime.

4. Workhour Guarantees

A. Introduction

The purpose of this chapter is to identify conditions that would result in payment of guaranteed time or unauthorized overtime. Proper application of this information will assist supervisors in scheduling employees efficiently, while ensuring employees are properly compensated.

B. Work Schedule Guarantees

Article 8, Section 1 of the National Agreements states:

The workweek for full-time regulars shall be forty (40) hours per week, eight (8) hours per day within ten (10) consecutive hours, provided however, that in all offices with more than 100 full-time employees in the bargaining units the normal workweek for full-time regular employees will be forty hours per week, eight hours per day within nine (9) consecutive hours. Shorter workweeks will, however, exist as needed for part-time regulars.

Example: If you work a full-time employee 6 hours on a scheduled day, then release him or her from duty for lack of work, you incur the obligation to pay 2 hours. These 2 unworked hours are charged to administrative leave.

C. Guarantees

Article 8, Section 8 of the National Agreements describes workhour guarantees for bargaining unit employees as follows:

- 1) Full-time regular employees in the bargaining units are guaranteed 8 hours work (or pay in lieu of work) if called in to work on their *non-scheduled day*, holiday, or designated holiday. If such an employee works 6 hours and is then told by the supervisor to clock out because of lack of work, the remaining 2 hours of the employee's 8-hour guarantee are recorded as *guarantee time*.
- 2) On scheduled days, full-time and part-time time regular employees are guaranteed 4 hours work or pay in lieu thereof when called in outside of their regular reporting times. Such a guaranteed minimum will not apply to an employee called in who continues working into his or her regular scheduled tour.
- 3) Part-time employees are guaranteed at least 4 hours work or pay on any day they are requested or *scheduled* to work in a post office or facility with 200 or more work-years of employment per year. All employees at other post offices and facilities are guaranteed 2 hours work or pay when requested or scheduled to work.
- 4) Transitional employees covered by the National Agreement with the NALC who are scheduled to work and report to work are guaranteed 4 hours work or pay. Transitional employees covered by the National Agreement with the APWU who are scheduled to work and report to work are guaranteed 2 hours work or pay. Such work or pay shall not be guaranteed if such employees are directed not to report

ahead of the time they were scheduled to report to work.

- 5) Casual employees do not have any minimum work schedule guarantees.
- 6) As a general principle, when an employee is told to clock out by management prior to the end of the guarantee period, the employee will be compensated for the hours of the guarantee period at the rate of pay he or she would have received had he or she actually worked such hours. There are, however, conditions under which employees will not be compensated for the remaining hours of the guarantee period. Generally, this would occur when an employee requests to leave the postal premises because of an illness or for personal reasons or leaves without proper authorization. A PS Form 3971, *Request for or Notification of Absence*, is to be completed in these instances. (See ELM 432.63.) Employees covered under the agreement with the NPMHU who request to leave before they have worked the guaranteed number of hours must obtain the concurrence of the Union in order to waive the guarantee.

D. City Letter Carrier 7:01 Rule

A city letter carrier who actually works more than 7 hours, but less than 8 hours of a regular scheduled day, and who is officially excused from the completion of the 8-hour tour, is credited with 8 hours for pay purposes. This is known as the 7:01 rule. The unworked time is recorded as guarantee time. (See ELM 432.53.)

E. Authorization and Supporting Forms

- 1) When an employee is released from duty, the amount of guarantee time to be charged must be documented on a PS Form 3971. (See Handbook F-21, *Time and Attendance* (TL 34) and Handbook F-22, *PSDS Time and Attendance* (TL 3), section 222.3.)
- 2) When an employee leaves without proper authorization, AWOL is charged on PS Form 3971.

F. Definition of Callback and Split Shift

When an employee completes a scheduled tour and clocks out, then is notified to clock in and resume working, that is considered a callback. All career bargaining unit employees are guaranteed 4 hours work, or pay, if called back to work on a day when they have completed their assignments and clocked out. This guarantee is applicable to any size office. (See ELM Exhibit 432.62.)

When a part-time flexible employee is notified prior to clocking out that he or she should return *within* 2 hours, it is considered a split shift and no new guarantee applies. However, if prior to clocking out, the part-time flexible employee is told to return *after* 2 hours, that employee (in any size office) must be given a minimum of 2 hours work.

Exhibit 4-1

**Guaranteed Time Pay Eligibility for Bargaining Unit
(RSC M, P, Q, C, A, and K) and Casual (RSC E)
Employees**

Employee Category	Eligibility
Full-Time Regular	Yes ^{1,2}
Part-Time Regular	Yes ^{1,4}
Part-Time Flexible	Yes ^{3,4}
Transitional	Yes ⁵
Casual	No

(Reference ELM Exhibit 432.62)

¹ Guaranteed 4 hours work or pay in lieu thereof when called in outside of the regular work schedule. Does not apply to an employee who continues working into the regular scheduled shift.

² Guaranteed 8 hours work or pay in lieu thereof when called in to work on a nonscheduled day.

³ Guaranteed 4 hours work or pay in lieu thereof when called back to work on a day when the day's assignment has been completed, and the employee has clocked out. This applies to part-time flexible employees in any size office.

⁴ Guaranteed 4 hours work or pay in lieu thereof if requested or scheduled to work at installations with 200 or more work-years of employment, or 2 hours of work or pay in lieu thereof if requested or scheduled to work at installations with less than 200 work-years of employment.

⁵ APWU transitional employees (TEs) are guaranteed 2 hours of work or pay and NALC TEs are guaranteed 4 hours of work or pay when scheduled to work and report.

5. Management Control Activities

A. Location of Timekeeping Devices and Time Card/Badge Racks

Proper location of timekeeping devices and time card/badge racks is important in monitoring employees' adherence to schedules and work assignments. Those devices must be located in areas that are normally in supervisory view. Supervisory presence at clock in and clock out times is essential to control the movement and activity of the workforce. The location of timekeeping devices and racks should also be convenient to employee workstations. Every effort must be made to minimize the staggering of employees' scheduled reporting times to better assure supervisory control of clock rings.

B. Five-Minute Leeway Rule

- 1) Although each employee at installations with time recording devices is required to clock in and clock out on time, congestion at time clocks or other conditions can sometimes cause clock time to vary slightly from the established work schedule. Therefore, a deviation may be allowed from the scheduled time for each clock ring up to 0.08 hours (5 minutes). However, the sum of the deviations for the scheduled tour must not exceed .08 hours. (See ELM 432.461.)
- 2) For *pay purposes*, the 5-minute leeway rule applies only to full-time and part-time regular employees. For *clocking purposes*, part-time flexible, casual, and temporary employees are also allowed the 5-minute leeway, but are paid

on the basis of their actual clock rings. (See ELM 432.46.)

- 3) The 5-minute leeway rule applies only to an employee's *scheduled tour* of duty; it does not apply to time worked in an overtime status. Time *on the clock* in excess of an employee's scheduled tour, which exceeds the 5-minute leeway, must be paid if the employee worked, or disallowed if the employee did not work. (See ELM 432.462.)
- 4) The 5-minute leeway rule applies to temporary schedules including any out-of-schedule hours outside of and instead of the employee's regular schedule. (See ELM 432.462.)
- 5) On some occasions, an employee may have a combination of work and paid leave. In such cases, the 5-minute leeway rule does not apply, and the employee is credited with the actual hours worked. (See ELM 432.465.)

C. Full-Time Employee Work Schedules

Managers are responsible for ensuring that employees are working their assigned schedules. Management must take measures through employee orientation, supervisor's service talks, schedule postings, etc., to ensure that employees are aware of their work schedules and are familiar with proper clocking procedures. Employees' adherence to assigned work schedules is considered part of their duties. Repeated failure by employees to adhere to their assigned work schedules should be handled with appropriate corrective action.

D. Part-Time Flexible Employee Workhours

In order to minimize and avoid unauthorized overtime or disallowance situations, part-time flexible employees are scheduled in hourly increments ending in 55 minutes (e.g., 7 hours, 55 minutes). The 5-minute cushion will virtually eliminate the cost of unauthorized overtime and significantly reduce the administrative burden of disallowing time. This does not mean that part-time flexible employees should be on the clock for periods longer than the workload requires.

Note: Under certain conditions, as defined by the National Agreements, the senior part-time flexible (PTF) employee must be converted to full-time (maximization) when a PTF has performed duties within his or her craft at least 40 hours a week, 5 days a week, over a period of 6 months. PTF schedules for each craft should be periodically reviewed to manage this situation. (Consult each National Agreement for details on how this applies to individual crafts.)

E. Employee Schedules

- 1) Operation supervisors must periodically review full-time and part-time regular work schedules to determine that the employee's workweek coincides with the hours of work as stated in the duty assignment (bid) notice.
- 2) A current copy of the employee's workweek schedule is maintained by Human Resources (e.g., bid clerk) and by Operations (in the tour office or respective station and branch). Time-keepers will maintain a copy of the service week and will maintain a current listing of the FLSA workweek computed by the method de-

scribed in sections 432.42 and 444.23 of the ELM. (See chapter 6 for computation methods.)

- 3) At the district office, Human Resources is designated as the coordination point and assumes responsibility for issuing and distributing all updated permanent work schedule change notices. Finance, upon receipt of the permanent work schedule change notice from Human Resources, is responsible for updating the employee's FLSA workweek and maintaining the master FLSA workweek listing. FLSA workweek reports are available from the Human Resources Information System (HRIS).
- 4) In plants, centers, and post offices, the installation head is responsible for the accurate maintenance of the workweek and FLSA workweek schedules.

F. Employee Responsibilities

Employees are responsible for adhering to their assigned work schedules. A variance from the assigned work schedule will result in disallowed time or unauthorized overtime. (Supervisors must document these occurrences on PS Form 1017-A, *Time Disallowance Record*, or PS Form 1017-B, *Unauthorized Overtime Record*, and take appropriate corrective action.) Upon request, employees will be furnished a copy of their current FLSA workweek.

G. Access to Time Cards or Badges

Employees are permitted access to time cards or badges up to a maximum of 5 minutes prior to their scheduled starting time. (See Handbook F-21, *Time*

and Attendance (TL 34), section 142, or Handbook F-22, *PSDS Time and Attendance* (TL 3), section 213.) In situations where there is little or no congestion at the time clocks or badge readers, use of the full 5-minute leeway may not be necessary. However, time cards or badges must be made available to employees in sufficient time to allow them to clock in as scheduled. By reducing employee's time on the clock prior to the starting of their tours, and controlling lunch time and end tour rings, employees will be better able to adhere to their work schedules. Additionally, disallowed time and questionable unauthorized overtime incidents will be reduced because the employee's total schedule variation will more than likely fall with the 5-minute leeway.

Note: Time cards or badges are to be secured from unauthorized access in locked cabinets or desk drawers when not in the rack or in active use by authorized personnel.

H. Tardiness

Time cards or badges should be removed from the racks 6 minutes after employees' scheduled starting times.

- 1) **Lateness Up to 30 Minutes:** Take the following steps for an employee who is tardy and who reports to work up to and including 0.50 hours (30 minutes) late. If the employee called in prior to the scheduled time and informed the supervisor or designee (e.g., timekeeper) of his or her inability to report as scheduled, the person taking the call will initiate a PS Form 3971, *Request for or Notification of Absence*, and sign the "Signature of Person Recording

Absence and Date” portion of the form. If the employee does not call and reports for duty outside the scheduled reporting time, a PS Form 3971 must be initiated. The supervisor signs the “Signature of Supervisor and Date” and, in the block provided, indicates “no call” prior to the scheduled reporting time. In either case, the supervisor affords the employee the opportunity to explain or document the reason for lateness. (See Handbook F-21, section 143.12, or Handbook F-22, section 214.2.)

- a.** If the lateness is *disapproved*, the supervisor checks the disapproved block on the PS Form 3971, indicates AWOL as the reason and exercises one of the following alternatives:
 - (1)** For pay purposes, charge the lateness period to AWOL.
 - (2)** Require the employee to make up the time by revising the normal work schedule. The work extending beyond the regular established work schedule to make up the amount of tardiness is paid for at straight time. The employee must be notified that the lateness was disapproved. (See Handbook F-21, section 143.12b, or Handbook F-22, section 214.24b.)
- b.** If the lateness is *approved*, the supervisor exercises one of the following alternatives:
 - (1)** Approve the employee’s request for paid leave to cover the period of lateness.

- (2) Approve the employee's request for LWOP to cover the period of lateness.
- (3) Approve the employee's voluntary request for revised schedule to cover the period of lateness. This time is paid at the straight-time rate.
- (4) Require an involuntary revised schedule to cover the period of lateness. This time is paid at the straight-time rate.

2) Lateness More Than 30 minutes: It is not practical to permit an employee to make up time in excess of 0.50 hours (30 minutes) in most instances. Therefore, an employee normally is charged with the appropriate leave to cover this period of tardiness. The employee must end his or her tour when the leave charged and workhours equal the total hours of his or her normal tour of duty, unless overtime has been authorized. (See Handbook F-21, section 143.13, or Handbook F-22, section 214.3.)

Note: An employee is not eligible for out-of-schedule premium if his or her tour was extended solely because of tardiness. (See Handbook F-21, section 143.14, or Handbook F-22, section 214.42.)

3) Eligibility for Tour Extension: The supervisor must exercise his or her best judgment as to whether the request for an extension should be granted. Only full-time and part-time regular schedule employees are permitted to make up a period of tardiness by extending their tour. Part-time flexible, transitional, casual, and

temporary employees do not have regular schedules and need not have their tour extended to make up for a period of tardiness. However, these employees have a scheduled reporting time. Repeated unexcused tardiness is handled with appropriate corrective action. (See Handbook F-21, sections 143.21 and 143.22, or Handbook F-22, sections 214.41 and 214.43.)

I. Washup Time

Where specific washup time has been negotiated locally under the provisions of article 30, of the National Agreements, the supervisor must assure that the washup time is granted within the employee's assigned workhours.

Any time spent by an employee changing clothes and/or washing up after the end of his or her assigned hours, which exceeds the time allotted for such purposes, must be disallowed. (See ELM 432.72a.)

J. Time Suffered or Permitted

Management suffers or permits employees to work in those situations in which management knows, or has reason to know, that the employee has performed actual work but without management's authorization. It is management's responsibility to prevent an employee from performing work that is not authorized. (See ELM 444.22.) Once work has been performed, the Postal Service is obligated to pay for it.

Example 1: A distribution clerk clocks in 15 minutes early and begins distribution of mail. The supervisor observes this activity but takes no action. The

employee must now be paid for the unauthorized time, since it was worked.

Example 2: A supervisor instructs a city carrier that, upon completion of the street portion of his or her route, he or she will be required to case all available nonpreferential mail before clocking out for the day. The carrier, who was due off the clock at 1500, returned to the station at 1492 and proceeded to case the available nonpreferential flats. He or she completed this activity at 1525. Upon completion, the supervisor observed the carrier by the badge reader conversing with a clerk for about 5 minutes. The carrier ended his tour at 1533.

Since the supervisor required the carrier to “clean up” the route without specifically confining the required activity within the employee’s regular schedule, the employee must be paid for the time *worked* over 8 hours. The last 5 minutes spent on the clock should be disallowed, documented, and the employee advised since the supervisor observed that the employee was *not working*.

K. Disallowed Time and Unauthorized Overtime

Supervisors must be able to determine when time may be disallowed and when unauthorized overtime is documented. Whenever an employee clocks in early or clocks out late without authorization, the employee’s supervisor must perform one of these two functions. If the supervisor has direct knowledge that the employee did not perform any work during the time in question, the time is disallowed. If the employee actually works, but the additional work was not authorized, the supervisor must document the incident and follow up as necessary.

1) Disallowed Time

- a. When a supervisor observes, or has reason to know, that an employee did not work while “on the clock,” the supervisor may disallow any such time that the employee recorded. The supervisor disallowing time must document the factual basis for his or her knowledge, or his or her reason to know, that the employee was not working during the period disallowed.
- b. Whenever time is disallowed for a nonexempt, bargaining unit employee, the supervisor must complete PS Form 1017-A, *Time Disallowance Record*. This form is designed to serve as a cumulative record of disallowed time. If it is the first incidence of disallowed time for the employee, the manager must establish a new PS Form 1017-A, by completing the name and social security number blocks. Subsequent incidences are documented on the established form. Since the completed forms are designed to be cumulative, they should be placed in a notebook binder in social security number order by pay or work location (e.g., Carrier Section, Distribution Clerks, Window Unit) and secured from unauthorized access (i.e., locked file cabinets or desk drawer).
- c. Postmasters and installation heads are responsible for the control of disallowed time. Automated timekeeping offices will generate disallowed time reports as a tool for

management use in controlling disallowed time. Repeated occurrences should be corrected by discussion or appropriate disciplinary action, as necessary.

2) **Unauthorized Overtime**

Postal Service payroll policy requires time worked in excess of 8 hours in a service day or 40 hours in a service week to be paid at an overtime rate to eligible employees. Unauthorized overtime occurs when an employee's clock time exceeds 8 hours in a day or 40 hours in a week without prior authorization from a supervisor. That time must be paid unless the employee's supervisor observed, or had reason to know, that the employee did not work during the period in question.

- a. Employees must be paid for all work performed, even if the employee works overtime that was not authorized. When this occurs, supervisors must document the incident and take appropriate disciplinary action. *Unauthorized overtime may not be disallowed simply because it is unauthorized. Penalty overtime may not be disallowed simply because it is unauthorized or because of local restrictions on the use of penalty overtime.*
- b. PS Form 1017-B, *Unauthorized Overtime Record*, is designed to serve as a cumulative record of unauthorized overtime. Managers must establish a PS Form 1017-B the first time a nonexempt employee receives unauthorized overtime. Subsequent incidences are documented on the established form.

The PS Form 1017-B is maintained in the same binder as the PS Form 1017-A.

3) Document Retention

PS Forms 1017-A and 1017-B will be cut off at the end of each calendar year and new forms established for each employee, as required. PS Forms 1017-A and 1017-B must be retained for a period of 3 years from the end of the calendar year in which the last entry on the form is made. (See Handbook F-21, section 146.253.)

Exhibit 5-1 (p. 2)
PS Form 1017-A, Time Disallowance Record

PSDS Offices**Codes:**

- 90 Unauthorized early begin tour ring - no work performed before beginning of tour.
- 91 Unauthorized late end tour ring - no work performed after end of tour.
- 92 Unauthorized short lunch rings - no work performed during official lunch period.
- 93 No lunch clock rings input - no work performed during official lunch period.
- 94 Erroneous daily clock ring adjustment - time not worked.
- 95 Erroneous badge card used - time not worked.
- 96 Reserved for future use.
- 97 Unauthorized early begin tour ring and an unauthorized late end tour ring - no work performed before the beginning of tour and no work performed after the end of tour.
- 98 Unauthorized short lunch rings and unauthorized late end tour ring - no work performed during official lunch period and no work performed after the end of tour.

Timecard Offices**Codes:**

- A Unauthorized early begin tour ring - no work performed before beginning of tour.
- B Unauthorized late end tour ring - no work performed after the end of tour.
- C Unauthorized short lunch rings - no work performed during official lunch period.

Note: Only when a supervisor observes, or has reason to know, that an employee did not work, while "on the clock," may the supervisor disallow any such time that the employee recorded. The supervisor must document the basis for any such disallowance.

Exhibit 5-2 (p. 2)
PS Form 1017-B, *Unauthorized Overtime Record*

Unauthorized Overtime

Definition:

Unauthorized overtime is time that an employee, **without prior authorization from a supervisor**, works in excess of the scheduled tour.

- *(i) Because work was performed, that time **must be paid** as unauthorized overtime.
- *(ii) If a supervisor did not observe or have reason to know that no work was performed by an employee while, "on the clock," that time must be paid as unauthorized overtime.
- *(iii) If no work was performed, and the supervisor observed or had reason to know that no work was performed, the supervisor must disallow that time, and record it on Form 1017-A, *Time Disallowance Record*, and take appropriate corrective action.

***Note:** In each of these unauthorized overtime situations the supervisor **must** document the occurrence on this form and take appropriate corrective action.

6. FLSA Workweek Determinations

A. Definition

The FLSA workweek for all employees is a fixed and regular recurring period of 168 hours — seven consecutive 24-hour periods. (See ELM 444.231.)

1) Full-Time Employees

For purposes of establishing the FLSA workweek, Saturday is considered to be a service day, even if it is not actually included as a service day in the full-time employee's regular schedule. The FLSA workweek begins 8 hours prior to the time that such employee's regular schedule would begin on Saturday. (See ELM 444.233.) Thus, a full-time employee whose regular starting time is 0600 Monday, and who has Saturdays and Sundays off, has an FLSA workweek beginning 8 hours prior to 0600 Saturday, which makes 2200 Friday the beginning of the employee's FLSA workweek.

2) Part-Time Employees

The FLSA workweek for part-time regular and flexible employees is defined and determined in the same manner as stated above for full-time employees *except* that the FLSA workweek for part-time employees may not begin prior to 2000 Friday. Thus, a part-time employee whose regular or normal starting time is 2100 Friday (Saturday service day) would have an FLSA workweek beginning at 2000 Friday. In no case will any part-time employee, whose FLSA workweek begins at 2000 or later on Friday, be called in prior to 2000 on Friday. (See ELM 444.234.)

B. Management Responsibilities

- 1) Establish and retain record of the FLSA workweek for each employee.
- 2) Update FLSA workweek information.
- 3) Make information available to employees upon request.
- 4) Ensure that employees are properly compensated.

C. Schedule Changes Resulting in FLSA Overtime

- 1) **Full-Time Employees:** When a full-time employee's schedule is changed as a result of bidding for another job, or by reassignment, an overlap of FLSA workweeks may occur. Additional FLSA overtime may be due if any work is performed during the overlap period. Those situations should be documented, and the employee properly compensated at the FLSA overtime rate, if applicable.
- 2) **Part-Time Employees:** An overlap of FLSA workweeks resulting in overtime may occur when a part-time flexible employee's normal starting time changes. To avoid that situation, do not reschedule a PTF employee, whose FLSA workweek begins 2000 or later on Friday, to start work earlier than 2000 on Friday. Those situations where an overlap does occur should be documented, and the employee properly compensated at the FLSA overtime rate, if applicable.

D. Determination of an FLSA Workweek Overtime Adjustment

The following procedures do not modify time recording procedures as defined in Handbook F-21, *Time and Attendance* (TL 34), and Handbook F-22, *PSDS Time and Attendance* (TL 3). Determination of the FLSA workweek overlap time requirements is in addition to existing timekeeping procedures. The district FLSA coordinator is responsible for determining if an FLSA overtime adjustment should be processed.

- 1) If the permanent or temporary schedule change, for which a new FLSA workweek is established, resulted in an earlier scheduled start time than the prior schedule, an overlap of the new and prior FLSA workweek has occurred. If not, no further action is required.
- 2) If there is an overlap, the FLSA coordinator must examine the actual clock rings for Friday and Saturday to determine if work was performed during the overlap period. If no work was performed, no further action is required.
- 3) If work was performed during the overlap period, the FLSA coordinator must determine if the total hours worked each overlapping FLSA workweek, plus those hours worked in the overlap period, exceed 40. If the workhours do not exceed 40 in either week, no further action is required.
- 4) If the workhours do exceed 40, the FLSA coordinator must prepare a PS Form 2240-F, *FLSA Overtime Adjustment Request*.

Example:

Bid Change: The illustration in Exhibit 6-1, Workweek Overlap, shows how the overlap appears on a permanent bid change. The old bid was 1800 to 0250; the FLSA workweek began at 1000 (1800 minus 0800). The new bid is 2350-0800; the FLSA workweek begins at 1550 (2350 minus 0800). The new FLSA start time of 1550 (Friday) is earlier than 1000 (Saturday), so an overlap has occurred. The hours that the employee works on the first day of the new schedule — 2350 Friday to 0800 Saturday — fall within the overlap period, so a PS Form 2240-F must be completed.

Revised Schedule: A full-time regular employee's normal tour is 1500-2350 with Saturday/Sunday off. A temporary revised schedule allows the employee to work Saturday from 0600-1450 with Sunday/Monday off. The employee's FLSA workweek, which is determined by his or her permanent schedule, begins at 0700 on Saturday. The time the employee worked under his or her revised schedule, from 0600 to 0700, was worked in an adjoining FLSA workweek. If the employee's workhours in that adjoining FLSA workweek (the current week), plus the additional amount (all work between 0600 and 0700), exceeds 40, a PS Form 2240-F must be prepared.

Working a Scheduled Day Off: A full-time regular employee's normal tour is 0800-1650 with Saturday/Sunday off. That employee re-

ports for Saturday overtime at 2250 on Friday night. The employee's FLSA workweek, which is determined by the employee's permanent schedule, begins at 2400 Friday. All time worked between 2250 and 2400 Friday night is worked in an adjoining FLSA workweek. If the employee's workhours in that adjoining FLSA workweek (the current week), plus the additional amount (all work between 2250 and 2400), exceeds 40, a PS Form 2240-F must be prepared.

- 5) The Eagan Accounting Service Center (ASC) will process the PS Form 2240-F to determine if any additional pay is due the employee. The employee will be paid additional FLSA overtime premium *only* if the FLSA amount calculated by the ASC is greater than the overtime amount already paid to the employee for the overlapping or adjoining workweeks.

Exhibit 6-1 Workweek Overlap

August 2000

Calendar Day	Sa	Su	M	T	W	Th	F		Sa	Su	M	T	W	Th	F
Start Time	1800	1800	1800	1800	1800	NS	NS		2350	NS	NS	2350	2350	2350	2350
Service Day	Sa	Su	M	T	W	Th	F		Sa	Su	M	T	W	Th	F
Work Time	8	8	8	8	8	X	X		8	X	X	8	8	8	8
Old FLSA Workweek	1000								1000						
New FLSA Workweek									1550						

Overlap occurs between 1550 on Friday and 1000 on Saturday.

7. Pay During Travel

The determination of whether travel time is compensable or not depends upon:

- A. Kind of travel involved.
- B. When the travel takes place.
- C. Eligibility of the employee.

Exhibit 7-1

Eligibility for Travel Time Compensation

Type of Travel	Scheduled Day	
	Within established hours of service	Outside established hours of service
Job site to job site	All employees	All nonexempt employees
One day assignment outside local commuting area	All employees	All nonexempt employees
Away from home overnight	All employees	None ¹
Type of Travel	Nonscheduled Day	
	Within established hours of service	Outside established hours of service
Job site to job site	All nonexempt employees	All nonexempt employees
One day assignment outside local commuting area	All nonexempt employees	All nonexempt employees
Away from home overnight	All nonexempt employees	None ¹

(Reference: ELM Exhibit 438.13)

¹ Nonbargaining unit employees receive no compensation. Bargaining unit employees are not compensated directly for travel hours. However, as a result of an arbitration award, the time must be considered in the FLSA overtime calculation at the end of the week. These hours are recorded as *Noncompensable Travel Time*.

Example: A maintenance employee has a bid assignment of 1500-2350 EST, Monday-Friday. He or she was scheduled for 1 week of training in Norman OK. His or her training hours were 0650-1500 CST. The employee left his or her residence on Sunday at 1100 EST and arrived at temporary lodging at 1700 CST (1800 EST). He or she will be credited with 4 hours of noncompensable travel time (Code 83) from 1100 to 1500, which is outside his or her bid schedule hours, and 3 hours of overtime from 1500 to 1800, which falls within his or her bid schedule hours.

On Friday, the employee is dismissed from class at 1200 (noon) CST and arrives home at 1800 EST. He or she is guaranteed 8 hours pay from 0650 to 1500 (0750 to 1600 EST), so he or she is paid regular workhours for the time up until 1500 (1600 EST). The travel time from 1600 until 1800 falls within his or her bid schedule, so it is all compensable. Since the employee already has 8 paid hours for Friday, these 2 hours are paid as postal overtime.

Note: For timekeeping purposes, this employee's record would show the following codes:

Code 52 = 45.00 Code 53 = 05.00

Code 83 = 04.00 Code 54 = 25.00*

*The employee receives the night differential pay he or she would have received if he or she worked his or her normal schedule.

8. Nonbargaining Unit Employees

This chapter contains pay regulations that apply to nonbargaining unit employees in Rate Schedule Codes (RSC) E and F. For pay purposes, nonbargaining unit employees are classified as either FLSA exempt or FLSA nonexempt. Headquarters Employee Resource Management determines the FLSA exempt or nonexempt status of all employees in the Postal Service.

A. Employee Classification

FLSA Exempt Employees — The FLSA provides that employees who occupy administrative, executive, or professional positions, as these terms are defined by the Department of Labor, need not be covered by the overtime provisions of the Act. Employees who are classified as exempt are considered to be salaried employees. As such, they are paid for performing the requirements of their position, regardless of the exact number of hours worked. Exempt employees are not eligible for overtime pay.

The Postal Service divides exempt employees into two types:

- 1) *Regular exempt* employees do not work on an hourly basis and are paid a fixed weekly salary of 40 hours. Regular exempt employees do not receive overtime pay or any additional compensation for working more than 40 hours in a week (except for specific exceptions during the designated Christmas period).
- 2) *Special exempt* employees are employees in positions EAS-18 and below whose primary responsibility is the supervision of bargaining

unit employees in a production operation. Special exempt employees do not receive overtime pay, but are eligible for additional straight-time pay for hours that they work in addition to their normal schedule when they are authorized to work in excess of 8.5 hours on a scheduled day or any time on a nonscheduled day. Most frontline supervisory positions (e.g., Supervisor, Customer Services; Supervisor, Distribution Operations, etc.) are classified as special exempt.

FLSA Nonexempt Employees — Nonexempt employees are paid on an hourly basis and are entitled to overtime pay when they work more than 40 hours in their normal workweek, or when they work a scheduled day off and their total paid hours for the week exceed 40 hours. Nonexempt, nonbargaining employees are also eligible for additional straight-time pay for any hours worked outside of their normal schedule that do not qualify for overtime pay.

B. Overtime and Additional Straight-Time Pay

Nonbargaining unit employees who work on a nonscheduled day, in excess of 8 hours in a day, or in excess of 40 hours in a week, may be eligible for overtime pay or additional straight-time pay. The payment of overtime or additional pay is determined by the rules that apply to each FLSA employee category.

Nonbargaining unit employees are not eligible for penalty overtime.

1) FLSA Exempt Employees

a. *Regular Exempt*

- (1) **Postal Overtime** — Regular exempt employees are not eligible for postal overtime pay.
- (2) **FLSA Overtime** — Regular exempt employees are not eligible for FLSA overtime pay.
- (3) **Additional Pay** — Regular exempt employees are not eligible for additional straight-time pay, except for the following situation:

During the designated Christmas period, a regular exempt employee in an EAS-23 or below position is eligible for additional pay for hours worked outside of his or her normal schedule, provided he or she is authorized to work over 8.5 hours on a scheduled day or any hours on a nonscheduled day *and* the additional hours are spent supervising bargaining unit employees in the mail processing or delivery functions. Except in unusual circumstances, this exception is limited to the following positions:

- Manager, Distribution Operations.
- Manager, Processing and Distribution.
- Manager, Customer Services.

b. *Special Exempt*

- (1) **Postal Overtime** — Special exempt employees are not eligible for postal overtime pay.
- (2) **FLSA Overtime** — Special exempt employees are not eligible for FLSA overtime pay.
- (3) **Additional Pay** — Special exempt employees are eligible for additional straight-time pay for hours worked outside of their normal schedule, provided they are authorized to work over 8.5 hours on a scheduled day or any hours on a nonscheduled day.

2) FLSA Nonexempt Employees

a. Postal Overtime — Nonexempt, nonbar-gaining employees, except postmasters and OICs, are eligible for postal overtime pay under the following circumstance:

- If the employee works one or more non-scheduled days, all paid hours (work plus paid leave) in excess of 40 for the week, up to the amount of hours worked on nonscheduled days, are paid as over-time.

Postmasters and OICs are not eligible for postal overtime, except in the following two cases:

- Those who are full-time and nonexempt are eligible for postal overtime when they work a sixth day because relief is not available. (See ELM 432.34.)

- A – E postmasters are eligible for postal overtime for actual workhours in excess of 40 paid hours in a service week.
- b. FLSA Overtime** — Nonexempt employees are eligible for FLSA overtime pay when their total actual workhours exceed 40 in a FLSA workweek.
- c. Additional Pay** — Nonexempt employees are eligible for additional straight-time pay for hours worked outside of their normal schedule if those hours do not qualify for postal overtime or FLSA overtime as described earlier.
- d. Calculating Overtime and Straight-Time Pay**

To determine pay for an EAS nonexempt employee (not including postmasters and OICs):

- (1) Overtime on nonscheduled days.** (If employee did not work on any nonscheduled days, proceed to Step 2.)

Calculate total number of *paid* hours for the week. (Paid hours include work and paid leave, but not LWOP.)

- (a)** If greater than 40, all hours in excess of 40, not to exceed the number of hours worked on nonscheduled days, are paid as overtime.
- (b)** If 40 or less, all hours are paid at straight time.

(2) Overtime on scheduled days.

Calculate total number of hours *actually worked* during the employee's normal workweek (not including non-scheduled days).

- (a) If greater than 40, all hours in excess of 40 are paid as overtime.
- (b) If 40 or less, all hours are paid at straight time.

Exhibit 8-1
Examples of EAS Nonexempt Pay
 (not including postmasters/OICs)

All examples assume nonscheduled days are Saturday and Sunday.

Hours Worked							Pay
Sa	Su	M	T	W	Th	F	
		8	8	8	8	8	40 hours straight time
4		8	8	8	8	8	40 hours straight time; 4 hours overtime
		10	10	10	8	8 AL	38 hours straight time; 8 hours annual leave (straight time) <i>Employee did not work NS day. Actual workhours are not greater than 40, so no overtime is paid.</i>
4		Hol Lv	10	10	10	8	38 hours straight time; 8 hours holiday leave (straight time), 4 hours overtime (NS day) <i>Employee worked NS day. Paid hours (50) exceed 40, so the 4 hours on NS day are overtime. Actual workhours during the scheduled workweek (38) do not exceed 40, so no additional overtime is paid.</i>

Exhibit 8-1 (continued)

Hours Worked							Pay
Sa	Su	M	T	W	Th	F	
4		10	10	10	8	8	40 hours straight time; 2 hours overtime <i>Employee worked NS day. Paid hours (42) exceed 40 by 2 hours, so 2 hours on NS day are overtime. Actual workhours during the scheduled workweek (38) do not exceed 40, so no additional overtime is paid.</i>
4		10	10	10	8 AL	8 AL	30 hours straight time; 16 hours annual leave (straight time); 4 hours overtime
		Hol Lv	8	8	8	10	34 hours straight time; 8 hours holiday leave (straight time) <i>Employee did not work NS day. Actual workhours during the scheduled workweek (34) do not exceed 40, so no overtime is paid.</i>

C. Night Differential

- 1) EAS employees, except those listed below and those specified in 2 below, are paid night differential for all hours actually worked between 1800 and 0600. (See ELM 434.2.) The following nonbargaining employees do not receive night differential:
 - a. Employees in grades 24 and above.
 - b. Postmasters.
 - c. Officers in charge (OICs).
 - d. Employees in management development programs.
- 2) Exempt employees who are not excluded above are paid night differential only when their normal hours fall between 1800 and 0600 or when the actual hours worked between 1800 and 0600 also qualify for additional pay (i.e., the hours between 1800 and 0600 are paid at night differential if those hours also are paid at straight time).

D. Sunday Premium

- 1) EAS employees, except those listed below and those specified in 2 below, are paid Sunday premium for all hours actually worked on Sunday, provided the time is part of the employee's regular schedule or the time qualifies for additional pay. (See ELM 434.3.) The following nonbargaining employees do not receive Sunday premium:
 - a. Employees in grades 24 and above.
 - b. Postmasters.

- c. Officers in charge (OICs).
 - d. Employees in management development programs.
- 2) Exempt employees who are not excluded above are paid Sunday premium only when their normal schedule includes work on a Sunday or when actual hours worked on a Sunday also qualifies for additional pay.
 - 3) Special exempt and nonexempt employees can receive more than 8 hours of Sunday premium per tour. Since additional pay is not computed until the end of the week, this does not violate the rules on pyramiding premiums.

E. Work on Holidays

- 1) Regular exempt EAS employees are not eligible for additional compensation when they work on a holiday or designated holiday.
- 2) Special exempt employees who are required to work on a holiday or designated holiday (including Christmas) are paid their basic hourly straight-time rate for all hours worked.
- 3) Nonexempt employees who are required to work on their holiday or designated holiday are paid their basic hourly straight-time rate for each hour worked. Nonexempt employees, excluding postmasters and OICs, who are required to work on Christmas day, or their designated Christmas holiday, are paid (in addition to holiday leave pay and holiday worked pay) Christmas worked pay at 50 percent of the amount paid at their basic hourly straight-time rate for each hour worked up to 8.

Postmasters and OICs who are required to work on Christmas day, or their designated Christmas holiday, receive holiday worked pay at their straight-time rate.

F. Nonbargaining Rescheduling Premium

Nonbargaining rescheduling premium is paid to eligible nonbargaining unit employees for time actually worked outside of, and instead of, their regular scheduled workweek when less than 4 calendar days notice of the schedule change is given. It is not paid beyond the fourth calendar day after the notice of schedule change is given, nor is it paid when the assignment is made at the employee's request. Nonbargaining rescheduling premium is paid for all *eligible* workhours up to 8 hours in a service day or 32 hours in a service week. (See ELM 434.7.)

All nonexempt full-time nonbargaining unit employees grade 18 and below are eligible for nonbargaining rescheduling premium. Full-time nonexempt postmasters and officers in charge are only eligible when their schedule is changed because their relief is not available to work on the sixth day. (See ELM 432.34.)

G. EAS Higher Level

Field Offices: EAS employees assigned to EAS field higher-level positions are required to work in the same detailed assignment for 10 consecutive 8-hour days, excluding days off, before they receive higher-level pay.

Exceptions:

- 1) Short-term assignments of a Supervisor, Distribution Operations (SDO) to a Manager, Distribution Operations (MDO) position, provided the following criteria are met:
 - a. The facility has only one MDO position on a tour, and there are no other means of coverage during the MDO's absence.
 - b. The assignment extends in regular intervals over a considerable length of time and as such is built into the employee's assignment.
 - c. The individual is accountable for all aspects of the higher-level position's responsibilities.
 - d. The assignment is for a full tour of 8 hours or more.
- 2) Employees entering the first 16 weeks of the associate supervisor program.
- 3) Details as an ad-hoc EEO counselor. This is limited to short-term details (a partial day to a few days). The 10-day wait applies when the employee is detailed into the EEO unit on a "non-ad-hoc" basis, i.e., on a long-term or non-intermittent basis.

Postmaster Positions: Employees who are temporarily assigned to act as a postmaster are eligible for higher level based upon the level of the office to which they are assigned and whether or not the accountability of the office is transferred. If the accountability is transferred to the detailed

employee, the employee is paid at a higher level based on the level of the office. If the accountability is not transferred to the detailed employee, the employee receives higher-level pay based on two levels below the level of the office. (See ELM 417.3.)

Area/Headquarters: EAS employees assigned to EAS higher-level positions at area offices, or Headquarters and related units, are eligible for higher-level pay beginning on the thirty-first calendar day.

H. Leave Usage by Exempt Employees

1) Leave Increments

Leave used by exempt employees must be charged in increments of 8 hours unless the leave is covered by the Family and Medical Leave Act (FMLA). Except for FMLA situations, an exempt employee is paid for either a full day of work or a full day of leave for each day of the employee's normal schedule. (A full day of leave may be a combination of different types of leave that total a full day.) Employees who are eligible for FMLA leave may use that leave in less than full-day increments.

2) Personal Absence (See ELM section 519.7.)

- a.** Nonbargaining exempt employees may be granted a personal absence during a service day without charging such absence to official leave.
- b.** Nonbargaining exempt employees who intend to be absent for more than 4 hours on a workday should request a full day of leave.

If an emergency occurs after the employee works any part of the day, personal absence in excess of 4 hours may be granted. An exempt employee cannot be charged annual leave, sick leave, or leave without pay if the employee works any part of their normal workday.

- c.** If an exempt employee is directed to work a *full day* on a holiday or other nonscheduled day in addition to normal workdays, the employee's supervisor may grant a full day of personal absence without charge to official leave. A full day of personal absence is only authorized when the employee has worked a full day on a nonscheduled day or holiday.
- d.** Personal absence is not granted for work outside the normal schedule on an hour-for-hour basis.

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