



Legal Help



Search All of USLegal, Inc

Search

USLegal (<https://uslegal.com/>) >

Legal Definitions (<https://definitions.uslegal.com/>) >

C (<https://definitions.uslegal.com/c/>) > Compensatory Time

Compensatory Time Law and Legal Definition



Compensatory time is paid time off granted to an employee for working extra hours. The federal Wage-Hour Law places severe restrictions on the use of compensatory time to avoid paying overtime, however, there are exemptions for certain public sector employees such as police officers and firefighters.

For public employees, compensatory time off may be

approved in lieu of overtime pay for irregular or occasional overtime work for both Fair Labor Standards Act (FLSA) exempt and nonexempt employees who are covered by the definition of "employee" as defined in the United States Code. Compensatory time off can also be approved for a "prevailing rate employee," as defined in the United States Code, but there is no authority to require that any prevailing rate (wage) employee be compensated for irregular or occasional overtime work by granting compensatory time off.

Additional Definitions

Comp Time

Comp Time, or Compensatory Time, is an alternate way of rewarding overtime work. Instead of paying an hourly employee time-and-a-half for work done over the time allotted in the normal work week, employers would allow an hour and a half of time off for each hour of overtime worked. This time could be used in emergencies, or scheduled for personal use. Comp time should not be confused with "flex-time." Flex-time allows employees to schedule their regular working hours in a way that accommodates their personal preferences and family commitments. Comp time strictly refers to compensation for overtime work.

Federal legislation, embodied in the Fair Labor Standards Act of 1938 (FLSA) governs the compensation of hourly employees. Under FLSA employees are assigned to either "exempt" or "non-exempt" status, i.e., those who are exempt from the requirements of FLSA and those who are not. Non-exempt employees are paid by the hour, exempt employees receive a salary. FLSA mandates that non-exempt employees be paid at the rate of 1.5 times the hourly wage for every hour over 40 worked in a week. Non-exempts must be paid in dollars for their overtime and cannot receive compensatory time instead. In 1978, Congress passed the Federal Employees Flexible and Compressed Work Schedules Act. This enabled the Federal Government to pay its employees comp time instead of overtime pay. In 1985, this provision was extended to state and local employees as well at the employee's option. In 2000 the Supreme Court ruled (in *Christensen v. Harris County*) that local government can compel employees to take accumulated comp time rather than take it at any time of their choosing. FLSA, however, continues to require overtime compensation in dollars for private sector hourly workers.

Since that time a major effort began in Congress to amend the FLSA to liberalize comp time rules for private sector hourly workers. The effort has thus far failed because of opposition from labor unions and their allies. The last event in this process was the withdrawal in 2003 of H.R. 1119, the House of Representatives' bill called "Comp-Time Reform Bill" for lack of votes.

THE CURRENT DEBATE

The movement to pass comp time legislation has been led primarily by Republicans, who argue that comp time will provide employees with greater freedom to schedule their work around family commitments. Supporters also contend that broadening use of comp time into the private sector will give a financial boost to businesses. But opposition is strong from the Democratic Party and labor unions. Primary reasons for contesting the use of comp time are questions over the actual scheduling of time off, and whether employees will be free to choose either comp time or payment in return for overtime work. Those opposing legislation suggest that employees in practice will not be allowed to freely schedule the use of their comp time but will be restricted by employers. This would result in an option much less valuable to employees, limiting the prospect of "emergency" time, and restricting time off at certain points during the year. Concerns have also been expressed over possible pressure from businesses on employees to accept comp time over monetary compensation for overtime work, and whether voluntary overtime could be offered only in exchange for comp time. Finally, unions object to proposed comp time arrangements in which hours do not count toward pension benefits.

COMP TIME IN SMALL BUSINESSES

Some business experts believe that employers who do not offer large benefits packages, significant vacation time, or paid time off should seriously consider offering comp time as a kind of perk for employees. These observers contend that comp time can be a sensitive (and economical) way of rewarding employees for extra help at crunch times, especially since many workers have come to value time off even more than increased pay.

But small businesses, which may not be in a position to offer employees elaborate benefits, may also not be able to support a comp time system. Whether the system is regimented or informal, the small business may not be able to afford the lost productivity and additional paperwork involved in keeping track of comp time accrued and taken. There may also arise scheduling problems, especially for very small businesses that rely on only a few employees

for their entire function. If a business is necessarily inflexible when it comes to scheduling time off, comp time may not be a valid alternative to regular overtime compensation.

SEE ALSO *Flexible Employment*

BIBLIOGRAPHY

"Comp-Time and Flex Time: Giving Employees a Say." RPC Backgrounder. Republican Policy Committee. 24 February 2005.

Eisenbrey, Ross. "The Naked Truth About Comp Time." EPI Issue Brief #190. Economic Policy Institute. 31 March 2003.

"H.R. 1119, the Comp-Time Reform Bill." *Motor Age*. August 2003.

"Legalize Comp Time." *Crain's Detroit Business*. 31 July 2000.

Rosenfeld, Larry. "The Rules on Comp Time." *Entrepreneur*. 24 March 2003.

U.S. Small Business Administration, n.a. *Employees: How to Find and Pay Them*.
Hillstrom, Northern Lights

updated by Magee, ECDI

► Legal Definition list

Compensatory Stock Options (c/compensatory-stock-options/)

Compensatory Education (c/compensatory-education/)

Compensatory Damages (c/compensatory-damages/)

Compensation Structure (c/compensation-structure/)

Compensation Period [Labor Law] (c/compensation-period-labor-law/)

» Compensatory Time

Comperendinatio (c/comperendinatio /)

Competency (c/competency/)

Competency of Juror as Witness (Evidence Law) (c/competency-of-juror-as-witness-evidence-law/)

Competency Proceeding (c/competency-proceeding/)

Competency Standard (c/competency-standard/)