

DATE: March 20, 2002

TO: Personnel Directors/Designees
Labor Relations Directors/Designees

FROM: Sandi Blaeser
Labor Relations Representative Principal
Labor Relations/Compensation Division

PHONE: (651) 297-7798

RE: MMA Hours of Work/Overtime Language

Several agencies have had questions regarding the changes to the Middle Management Association (MMA) Hours of Work/Overtime language. In an effort to help understand the new language, I have attached links to two documents developed by the Labor Relations Bureau. The first chart, titled "MMA Overtime Language," highlights the various treatments of overtime in the contract. The second chart is a set of examples, describing how various scenarios should be treated.

The MMA Overtime language is now divided into four categories of overtime treatment:

- Progression Code 2 and 3 Supervisors
- Non-Exempt Progression Code 1 Supervisors
- Exempt Progression Code 1 Supervisors, Range 18 and Below
- Exempt Progression Code 1 Supervisors, Range 19 and Above

The language in these sections varies as to overtime rate (1.5x or 1.0x – time and a half or straight time), definition of what constitutes "hours worked" and the threshold at which the overtime rate must be paid. In order to apply the proper language, it is critical to identify the progression code and salary range for each supervisor.

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The biggest change in the language is in the definition of “hours worked”. Please refer to the MMA Overtime Language chart to see how this definition differs among the four categories of overtime treatment. The changes in this language may result in certain supervisors working additional hours in a work week or pay period for which they are not compensated. For Progression Code 2 and 3 supervisors, the language changes may have the effect of supervisors not receiving overtime pay for hours worked beyond eight in a day.

The language also gives agencies the ability to permit/require supervisors to balance hours within the workweek, pay period or among future periods, depending upon which category of overtime treatment a supervisor falls within. Please refer to the attached Overtime Language chart for a description of “hours balancing” for each category of supervisor. It is important to note that balancing of hours may be done in two situations:

- Extra hours of work are in lieu of leave usage (supervisor worked Saturday so he/she doesn't have to use leave to take off Friday; applies to any form of paid leave other than a fixed holiday); or
- To reduce or entirely avoid an overtime liability (supervisor worked late Thursday so he/she is directed to come in late/leave early on Friday).

While balancing is not mandated by the contract in either situation, agencies are encouraged to use such practice.

It is also important for agencies to understand that the changes in the overtime language are expected to result in overall savings. The estimates that were reviewed in bargaining indicated that the State would achieve a substantial reduction from FY01 overtime costs for the supervisory bargaining unit.

If you have questions about the MMA overtime language, this memo or the attached charts, please contact your Labor Relations Representative.

cc: DOER LR/Comp
Middle Management Association

Enc.

**MMA Overtime Language
01-03 Contract**

Groupings of supervisors for purposes of determining overtime treatment	Section 1: PC 2 & 3 Supvs and Supvs at PC 1 Range 18 & below			Section 2: Exempt Supvs at PC 1 Range 19 & above
	PC 2 & 3	*Non-Exempt PC1	**Exempt PC1 Range 18 & below	
Overtime Rate of Pay	1.5x	1.5x	Straight time	Straight time
Overtime Threshold	All "hours worked" as assigned in excess of 40 within 7 day work week	All "hours worked" as assigned in excess of 40 within 7 day work week	All hours worked as specifically assigned or directed in excess of 80 within the pay period	All hours worked in excess of 80 within a pay period that are a result of being assigned special projects that are in addition to normal duties or workload (advance approval for overtime required)
Definition of "hours worked"	Paid vacation, sick leave, holidays, comp time and/or paid leaves of absence ARE considered "hours worked"	Paid vacation, sick leave, holidays, comp time and/or paid leaves of absence ARE NOT considered "hours worked"	Holidays and comp time ARE considered "hours worked" Paid vacation, sick leave, and/or paid leaves of absence ARE NOT considered "hours worked"	Holidays and comp time ARE considered "hours worked" Paid vacation, sick leave, and/or paid leaves of absence ARE NOT considered "hours worked"
Period over which agencies may allow or require balancing* of hours <i>*Allowing or requiring balancing is encouraged, however not required</i>	Agency may allow supervisor to balance hours within the 7 day work week		Agency may allow balancing of hours across the 14 day pay period	Agency may allow balancing between work weeks and/or pay periods with the exception that supervisors can not balance additional hours worked in future pay periods against time taken off in a prior pay period (can't pay for hours not actually worked)

* This language may result in supervisors working extra hours that are compensated at the straight time rate.

** This language may result in supervisors working extra hours for which they are not compensated.

MMA Overtime Examples

For all examples, assume supervisor's normal work schedule is 8 hours per day, Monday through Friday and, where relevant, the designated workweek is Wednesday through Tuesday.

EXAMPLE 1:

1 W	2 Th	3 F	4 Sa	5 Su	6 M	7 T	8 W	9 Th	10 F	11 Sa	12 Su	13 M	14 T
10	8	8	----	----	8	Vac	8	8	8	8	----	8	8

Progression Code 2 & 3:

Week 1: 40 hours @ straight time & 2 hours @ 1.5x

Week 2: 40 Hours @ straight time & 8 hours @ 1.5x

**In lieu of taking 8 hours of vacation on 7th, Agency can allow or require the supervisor to balance extra hours worked on 1st. If so, the supervisor uses only 6 hours vacation on 7th and Week 1 would then be 40 hours @ straight time (34 hours worked & 6 hours vacation).*

Non-Exempt Progression Code 1:

Wk 1: 42 @ straight time & 8 hours @ 1.5x

**Agency could allow/require balancing same as above hours (Week 1 would then be 40 hours @ straight time hours).*

Exempt Progression Code 1, Range 18 & Below:

82 hours @ straight time

**Agency could allow/require balancing extra hours worked on 1st & 11th against hours not "worked" on 7th (does not affect hours paid but reduces vacation hours used).*

Exempt Progression Code 1, Range 19 & Above:

If extra hours are approved special project work then 82 hours @ straight time; if **not** approved special project work then 80 hours @ straight time.

**In either case, agency may allow balancing the 2 extra hours in current or future pay periods (time management).*

EXAMPLE 2:

1 W	2 Th	3 F	4 Sa	5 Su	6 M	7 T	8 W	9 Th	10 F	11 Sa	12 Su	13 M	14 T
10	8	8	----	----	8	Hol	8	8	8	8	----	8	8

Progression Code 2 & 3:

Wk 1: 40 hours @ straight time & 2 hours @ 1.5x

Wk 2: 40 Hours @ 1.0 x & 8 hours @ 1.5x

Non-Exempt Progression Code 1:

Wk 1: 42 hours @ straight time

Wk 2: 40 hours @ straight time & 8 hours @ 1.5x

Exempt Progression Code 1, Range 18 & Below:

90 hours @ straight time (42 hours Week 1, 48 hours Week 2)

Exempt Progression Code 1, Range 19 & Above:

90 hours @ straight time IF approved special project work; otherwise, 80 hours @ straight time OR agency could allow balancing the 10 extra hours in current or future pay periods.

EXAMPLE 3:

1 W	2 Th	3 F	4 Sa	5 Su	6 M	7 T	8 W	9 Th	10 F	11 Sa	12 Su	13 M	14 T
8	10	10	----	----	Vac	8	8	8	8	----	----	8	8

Progression Code 2 & 3:

Week 1: 40 hours @ straight time & 4 hours @ 1.5X

Week 2: 40 hours @ straight time

**In lieu of 8 hours Vacation on the 6th, the agency could allow/require balancing of extra hours from the 2nd & 3rd. The supervisor would then use only 4 hours of Vacation on the 6th and receive 40 hours @ straight time in Week 1 (36 hours worked + 4 hours paid vacation).*

Non-Exempt Progression Code 1:

Wk1: 44 hours @ straight time (does not have more than 40 "hours worked" so no 1.5)

Wk2: 40 hours @ straight time

**In lieu of taking 8 hours Vacation on 6th, can allow/require balancing extra hours from 2nd & 3rd so supervisor would only take 4 hours Vacation on 6th.*

Exempt Progression Code 1, Range 18 & Below:

80 Hours @ straight time

**In lieu of taking 8 hours of Vacation on 6th, agency can allow/require supervisor to balance w/ extra hours worked on 2nd & 3rd so supervisor would take 4 hours Vacation on 6th.*

Exempt Progression Code 1, Range 19 & Above:

80 Hours @ straight time

**In lieu of taking 8 hours Vacation on 6th, agency can allow/require supervisor to balance w/ extra hours worked on 2nd & 3rd so supervisor would take 4 hours Vacation on 6th.*

EXAMPLE 4:

1 W	2 Th	3 F	4 Sa	5 Su	6 M	7 T	8 W	9 Th	10 F	11 Sa	12 Su	13 M	14 T
8	8	8	10	----	Vac	8	8	8	8	----	----	8	8

Progression Code 2 & 3:

Week 1: 40 hours @ straight time & 10 hours @ 1.5X

Week 2: 40 hours @ straight time

**In lieu of 8 hours Vacation on the 6th, the agency could allow/require balancing of extra hours from the 4th. The supervisor would then use no Vacation hours on the 6th and agency would pay 40 hours @ straight time & 2 hours @ 1.5x in Week 1*

Non-Exempt Progression Code 1:

Wk1: 48 hours @ straight time & 2 hours @1.5x (assuming no balancing of hours)

Wk2: 40 hours @ straight time

**In lieu of taking 8 hours Vacation on 6th, the agency could allow/require balancing extra hours from the 4th. The supervisor would then use no Vacation hours on the 6th and agency would pay 40 hours @ straight time & 2 hours @ 1.5x in Week 1*

Exempt Progression Code 1, Range 18 & Below:

82 hours @ straight time (82 hours that constitute "hours worked" under the contact)

**In lieu of taking 8 hours of Vacation on 6th, the agency could allow/require balancing extra hours from the 4th. The supervisor would then use no Vacation hours on the 6th.*

Exempt Progression Code 1, Range 19 & Above:

82 hours @ straight time IF approved special project work; otherwise, 80 hours @ straight time

OR agency could allow balancing the 10 extra hours in current or future pay periods.