HRDG 4550 - Premium Pay - Section E

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Subchapter 4550
Premium Pay
Section E - Compensatory Time

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Can I Be Granted Compensatory Time in Lieu of Overtime Pay?

You may be granted compensatory time if you are a General Schedule (GS), General Merit (GM), Administratively Determined (AD), or Federal Wage System (FWS) employee. Being granted compensatory time is not dependent on your Fair Labor Standards Act (FLSA) status. It is granted on an hour-for-hour basis, in lieu of overtime pay for irregular or occasional overtime.

If you are a GS, GM, AD, or FWS employee who works under a flexible work schedule, you also may be granted compensatory time for regular overtime. Again, your FLSA status does not matter. (5 CFR 550.114[b]).

If your pay exceeds a GS-10, step 10, and you are exempt from FLSA, your supervisor may require you to take compensatory time in lieu of overtime pay for irregular or occasional overtime work (5 CFR 550.114[c] and 5 CFR 551.531[c]). If your pay is at or below a GS-10, Step 10, (regardless of FLSA status), you must request compensatory time off in lieu of overtime pay (5 CFR 550.114[a][b]). You may not be required to take compensatory time off.

Exception: If you work overtime hours under the Import/Export Act, 7 U.S.C. 2260, you may not earn compensatory time off in lieu of overtime pay.

Can I Transfer Compensatory Time from Another Agency?

You may not transfer compensatory time from other agencies (including USDA agencies) to or from MRP, (e.g., MRP to the Agriculture Research Service; MRP, USDA to Treasury; APHIS to AMS; AMS to GIPSA; GIPSA to APHIS).

You can earn and use compensatory time in 15 minute increments.

Beginning pay period 10, 2007, (May 14, 2007), compensatory time must be used within 26 pay periods after the pay period it was earned.

~~Unused compensatory time to your credit as of pay period 10, 2007, (May 14, 2007), must be used by the end of pay period 10, 2010. Pay period 10, 2010, ends on May 22, 2010 (Federal Register Volume 72, Number 50, dated March 15, 2007).~~

If it is not used within ~~this~~ the 26 pay period time frame, it must be paid out at the overtime rate in effect when you earned the overtime. Form AD-581, Lump Sum Leave or Compensatory Time Payments, must be used to make compensatory time payments. (Federal Register Volume 72, Number 50, dated March 15, 2007).

	If compensatory time is earned during:	**and it is used within the time frame, then:**	**but, if it is not used within the time frame, then it must be paid out:**
Earning and Using Compensatory Time	Overtime	Your paycheck will reflect your base hourly rate for the compensatory time you took off.	At the overtime rate in effect when the overtime was earned.
	Regularly	Your paycheck will reflect pay at the regular hourly rate. Night differential is included in the payment. **Example:** If in pay period 2 you worked 8 hours of regular time and you earned 2 hours of compensatory time with night differential, then your pay	At the overtime rate

How is Compensatory Time Granted?	Compensatory time may be granted as an equal amount of time off in lieu of payment at overtime rates. When compensatory time is granted, it is substituted on an hour-for-hour basis for overtime.
How much Compensatory Time Can I Earn?	The maximum amount of compensatory time you may earn is subject to a maximum salary limitation (see **Section F**, Night, Holiday, and Sunday Premium Pay for General Schedule Employees, “Is There a Premium Pay Limitation for FLSA-Exempt Employees?” to learn more about the limitation).

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