

Good to Know for Non-Exempt Employees

- Non-exempt employees are paid based upon the hours they work.
- To ensure non-exempt employees are compensated accurately, they must record **all** hours they work each day into the [university's timekeeping system](#), and submit them to their supervisor/manager for approval. Review this [demo](#) for instructions on how to enter time.
- Non-exempt employees are also **required to record all leave without pay** to ensure accurate compensation.
- Non-exempt employees cannot waive their right to overtime compensation.
- Supervisors and managers are responsible for reviewing and approving all time worked by non-exempt employees.
- Actual hours worked over 40 in a work week is considered overtime.
- Hours between 37.5 and 40 are not considered overtime hours as pay is based on 40 hours per week or 2080 hours per year.
- Annual leave, sick leave and holidays do not count towards actual hours worked.
- Overtime is compensated at 1 ½ times your regular rate of pay for each hour worked over 40.
- Overtime may also be compensated in the form of compensatory time at 1 ½ hours for each hour worked over 40.
- Examples of time worked would be sending and receiving emails, answering work calls serving clients or performing any work before your scheduled starting time, after your scheduled ending time or during lunch.
- Examples of non-worked time would be eating lunch at your desk but not performing any work, or taking rest breaks or meal periods of 20 minutes or longer and not performing work.
- Supervisor and managers should **authorize in advance** all hours worked in excess of 40 in the work week.
- Supervisors and managers may adjust an employee's work schedule so overtime hours are not worked. For example, a supervisor/manager may require a non-exempt employee to leave early on Friday to ensure overtime is not received and effectively manage the department's budget.



- The college, division or department can decide whether overtime pay will be compensated with wages or compensatory time.
- Compensatory time should be used prior to annual leave and should be requested prior to the actual use of compensatory time.
- At the end of each fiscal year, compensatory time is paid out to employees.
- Should the FLSA status of the position change from exempt to non-exempt and the person works another job for USC, the secondary position will also become non-exempt and hours must be tracked for the secondary job.

