



Overtime Policy for Nonexempt Employees



Purpose

This policy outlines the company's guidelines for calculating and compensating overtime for nonexempt employees in compliance with California labor laws. The company is committed to ensuring that all nonexempt employees are paid appropriately for any overtime hours worked.

Eligibility for Overtime

Nonexempt Employees: All nonexempt employees (employees who are paid hourly or are otherwise classified as nonexempt under the Fair Labor Standards Act and California law) are eligible for overtime pay when they work more than the standard hours as defined by California overtime laws.

Overtime Pay Requirements

Under California law, nonexempt employees are entitled to overtime pay in the following situations:

- **Daily Overtime:**
 - Employees who work more than **8 hours in a workday** must be compensated at **1.5 times their regular rate of pay** for all hours worked beyond 8 and up to 12 hours in a day.
 - Employees who work more than **12 hours in a workday** must be compensated at **2 times their regular rate of pay** for all hours worked beyond 12 hours.
- **Weekly Overtime:**
 - Employees who work more than **40 hours in a workweek** must be compensated at **1.5 times their regular rate of pay** for all hours worked beyond 40 in that week, regardless of the number of hours worked in any particular day.
- **Seventh Consecutive Day of Work:**
 - Employees who work **7 consecutive days in a workweek** are entitled to be compensated at **1.5 times their regular rate of pay** for the first 8 hours worked on the seventh day.
 - For any hours worked beyond 8 hours on the seventh consecutive day, employees must be compensated at **2 times their regular rate of pay**.

Approval for Overtime

- **Pre-Approval Required:** Employees must obtain advance approval from their supervisor or manager before working any overtime hours. Unauthorized overtime will still be compensated in compliance with California law, but employees may be subject to disciplinary action for failing to follow the approval process.
- **Emergencies or Special Circumstances:** If an employee needs to work overtime due to emergencies or special circumstances without prior approval, they must notify their supervisor as soon as possible.

Calculating Overtime Pay

- **Regular Rate of Pay:** Overtime is calculated based on the employee's regular rate of pay, which includes their hourly wage plus any non-discretionary bonuses, incentives, or commissions.
- **Paid Time Off and Overtime:** Paid time off (PTO), sick leave, or holiday pay is not counted as hours worked when calculating overtime. Overtime is calculated only on actual hours worked during the workweek.

Rest Breaks and Overtime

Employees must take all legally required meal and rest breaks, even when working overtime. Supervisors are responsible for ensuring that employees take their breaks as required by law, regardless of how many hours are worked in a day.

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Record-Keeping and Compliance

- **Accurate Timekeeping:** Nonexempt employees are responsible for accurately recording their hours worked, including overtime, using the company's timekeeping system. Supervisors are responsible for reviewing and approving all time records to ensure accuracy.
- **Payroll Processing:** The payroll department will ensure that all overtime hours are calculated and compensated correctly. Overtime pay will be included in the employee's next regular paycheck following the workweek in which the overtime was worked.

Overtime and Company Policies

- **Workweek Definition:** For purposes of overtime calculation, the company's workweek begins on **[Insert Day]** and ends on **[Insert Day]**. All overtime will be calculated based on this defined workweek.
- **No Waiver of Overtime Rights:** Employees cannot waive their right to overtime pay, and the company will not allow employees to "volunteer" to work overtime without proper compensation.

Compliance with California Law

This policy complies with California Labor Code Sections 510 and 515, as well as the Fair Labor Standards Act (FLSA). The company will ensure that all nonexempt employees receive overtime pay as required by law.

Exceptions and Modifications

The company reserves the right to modify or amend this policy as necessary to reflect changes in California labor laws and operational needs.