Bureau of the Public Debt's
Administrative Resource Center

Human Resources Directive
Franchise Services

Number: HRD FS 550-1
Original Issue Date: April 12, 2000
Review Date:

Subject: Pay Administration

1. PURPOSE

This document describes the agency's policies on premium pay; allotments and other assignments from pay; garnishments and salary offsets; severance pay; and back pay.

2. SCOPE

This directive applies to all General Schedule employees (GS and GM). Members of the Senior Executive Service (SES) are not covered by parts 7 and 12 of this directive. Federal Wage System employees (WG, WL, and WS) are not covered by part 7d.

3. AUTHORITY

a. 5 USC Chapters 55 and 61.

b. 5 CFR Parts 550, 551, 581, 582, 610, and 2635.

4. DEFINITIONS

a. Administrative Workweek. Seven consecutive calendar days beginning at 12:01 a.m. Sunday and ending at midnight the following Saturday.

b. Basic Workweek. The 40-hour workweek that entitles a full-time employee to basic pay. The basic workweek is normally five consecutive eight-hour workdays (Monday through Friday). The workdays are scheduled between the hours of 6:00 a.m. and 6:00 p.m., except where shift work is required. A lunch period of at least 30 minutes must be scheduled during the workday. The lunch period is not included in the hours of work.

c. Fair Labor Standards Act (FLSA). Establishes detailed rules for what is considered hours of work and the formula used to compute pay. It also establishes the minimum number of hours that must be worked before overtime begins. The FLSA categorizes employees as exempt (not covered) or non-exempt (covered), depending upon the type of work performed. FLSA exempt groups include managers and supervisors, as well as employees working in administrative or professional functions.

d. Tour of Duty. The hours of a day and the days of an administrative workweek that make up an employee's regularly scheduled administrative workweek.

e. Regularly Scheduled Administrative Workweek. When an employee is regularly scheduled to work.

f. Regularly Scheduled Work. Work (non-overtime and overtime) scheduled before the administrative workweek begins.

g. Premium Pay. Additional pay for overtime, night, Sunday, or holiday work.

h. Compensatory Time. Time off instead of payment for overtime hours worked.

i. Sunday Work. Any work on a Sunday that is part of a regularly scheduled tour of duty.

j. Holiday Work. Any work on an official holiday that is part of a regularly scheduled tour of duty.

k. Night Work. Regularly scheduled work between 6:00 p.m. and 6:00 a.m.

l. Compressed Work Schedule. A biweekly work requirement of 80 hours or less when work is scheduled for fewer than 10 workdays (i.e., 4/10 and 5-4/9 schedules).

m. Leave Without Pay (LWOP). Unpaid leave that must be requested and approved in advance.

n. Absence Without Leave (AWOL). An unauthorized and unpaid absence from duty.

5. RESPONSIBILITIES

a. Supervisors are responsible for:

(1) Ensuring that overtime work is properly ordered, approved, controlled, and certified.

(2) Ensuring that employees are compensated according to their entitlement to premium pay.

b. Director, Human Resources Division, is responsible for:

(1) Administering and establishing premium pay regulations and policies.

(2) Ensuring that supervisors are provided information, advice, and assistance regarding pay-related regulations.

(3) Ensuring that time and attendance, personnel actions, and payroll documents are processed timely and accurately.

6. PREMIUM PAY

a. General. Premium pay is additional compensation authorized for overtime, night, holiday, or Sunday work.

b. Overtime. Overtime is paid for work exceeding 8 hours per day or 40 hours per week. For a 5-4/9 schedule, overtime is paid for work beyond the daily tour (8 or 9 hours) or 80 hours in a pay period. An employee working a 4/10 schedule gets overtime for any work beyond 10 hours per day or 40 hours per week. Overtime pay calculations exclude the normal daily lunch period.

(1) Authorizing Overtime. Overtime, including compensatory time off, must be requested in writing before the work is performed. A second level of management must approve the overtime request before the work is performed. The timekeeper must maintain the record of approval for the current year plus six previous years. Management must certify the overtime before the employee is compensated.

(2) (a) Leave. Approved annual or sick leave, holidays, non-workdays, administrative leave, or compensatory time off does not reduce overtime entitlement during an administrative workweek.

(b) Absence Without Pay.

1. An employee with LWOP or AWOL during the basic workweek must work an equal number of hours beyond regular hours in that administrative workweek before receiving overtime pay.

2. An employee with LWOP or AWOL during a workday must work an equal number of hours beyond regular hours that day before receiving overtime pay.

(c) Absence During Overtime Periods. Overtime is usually payable only for time actually worked. Overtime may also be paid when the employee is in a travel status.

(3) Time in Travel Status. An employee is paid overtime when the time spent in a travel status is considered hours of work. The employee's FLSA coverage determines whether travel time should be considered hours of employment. There are instances when employees will not be paid for time in a travel status.

(a) For a FLSA exempt (not covered) employee, travel time outside the regularly scheduled tour of duty is considered hours of work if:

1. The employee performs work while traveling (e.g., uses a laptop to prepare work-related documents). The work must be approved in advance by management. Driving by FLSA exempt (not covered) employees is not considered work.

2. The travel is done under severe conditions (e.g., driving where a "state of emergency" has been declared).

3. The travel results from an event that could not be scheduled or controlled by the federal government.

Travel resulting from unforeseen circumstances is payable under this provision (e.g., an employee must immediately fly to a Federal Reserve Bank).

(b) For a FLSA nonexempt (covered) employee, travel time outside the regularly scheduled tour of duty is considered hours of work if:

1. The employee performs work, including driving a vehicle, while traveling.

2. The employee travels as a passenger and returns the same day.

3. The employee travels as a passenger on non-workdays during hours that correspond to his/her regular working hours.

4. Any of the three criteria for FLSA exempt (not covered) employees are met.

(4) Call-Back Overtime. An employee may be required to return to work for unscheduled overtime. Each time the employee is called back to work, he/she is entitled to at least two hours of overtime. This applies even if his/her services are not required for the full two hours. If the situation can be handled from home, the employee is entitled to overtime only for the actual time spent correcting the problem.

(5) Minimum Overtime Credited is fifteen minutes. Overtime not performed in fifteen-minute increments should be rounded up or down to the nearest quarter-hour.

(6) Rates of Overtime Pay.

(a) FLSA Exempt (Not Covered) Employees:

1. May be paid premium pay as long as the gross pay for any pay period does not exceed the basic pay for a GS-15, step 10. This limitation includes compensatory time off earned during the pay period.

2. Earn overtime at one and one-half times their basic hourly rate if the basic pay rate does not exceed a GS-10, step 1. Those whose basic rate exceeds a GS-10, step 1 earn overtime at one and one-half times the hourly rate for a GS-10, step 1.

(b) FLSA Non Exempt (Covered) Employees are paid overtime at one and one-half times the rate of basic pay.

(7) Compensatory Time Off may be earned instead of pay for overtime work. Compensatory time off is earned in an amount equal to the overtime worked.

(a) Supervisors may require FLSA exempt (not covered) employees whose basic pay rate exceeds a GS-10, step 10 to earn compensatory time off instead of overtime pay.

(b) Employees may request compensatory time instead of overtime pay. An employee should request compensatory time by noting the Overtime Control Log. Management may deny requests for compensatory time.

(c) Supervisors must ensure that an employee's accrued compensatory time does not exceed 80 hours at any time.

(d) Supervisors must make sure compensatory time is used before annual leave. An exception is when annual leave is subject to forfeiture.

Supervisors should also ensure that compensatory time is used within 12 pay periods after the pay period it was earned. Unused compensatory time for FLSA exempt (not covered) employees is forfeited unless mandatory work requirements exist. To qualify as mandatory, such work must be necessary to accomplish the mission of the agency. Unused compensatory time for FLSA nonexempt (covered) employees is converted to overtime pay. The rate of the overtime pay is based on the effective rate of pay when the overtime was worked.

c. Holiday Work

(1) An employee is paid at the regular rate of basic pay for working on a holiday. (This is in addition to the pay the employee receives for administrative leave on the holiday.) The regular overtime rate or compensatory time is only earned for holiday work beyond the daily tour (8, 9, or 10 hours).

(2) Holiday pay is in addition to overtime pay, night differential, or Sunday pay. It is not included in the basic pay rate.

d. Night Differential

(1) Night work is regularly scheduled and performed between 6:00 p.m. and 6:00 a.m. An employee is paid at his/her rate of basic pay plus night pay differential. Night differential is 10 percent of his/her rate of basic pay.

(2) Night differential is not paid during any period of absence, including administrative leave.

(3) Night differential is in addition to overtime, Sunday, or holiday pay. It is not included in the rate of basic pay.

e. Pay for Sunday Work

(1) Non-overtime work performed on Sunday is paid at the employee's basic rate of pay plus 25 percent. Sunday pay is not given for absences, including administrative leave.

(2) Premium pay for Sunday work is in addition to premium pay for holiday work, overtime pay, or night differential. It is not included in the rate of basic pay.

7. **DEDUCTIONS, ALLOTMENTS, AND ASSIGNMENTS FROM PAY**

Deductions, allotments, and assignments from pay are made for the following:

a. Retirement and/or Social Security and Medicare.

b. Federal, state, and local income tax withholdings.

c. Thrift Savings Plan, life insurance, or health insurance.

d. Union dues, if applicable.

e. Charitable contributions to the Combined Federal Campaign.

f. Up to two allotments to a financial organization of the employee's choice.

g. Alimony and/or child support.

h. United States Series EE or Series I Savings Bonds.

i. Other allotments available in certain unique and individual situations.

8. **GARNISHMENT OF WAGES**

Employees are expected to satisfy, in good faith, their obligations as citizens, including child support and alimony. If an employee fails to pay just debts, corrective action will be initiated. The agency will process garnishment orders.

9. **SALARY OFFSET OF DEBT OWED TO THE UNITED STATES**

If an employee is indebted to a government agency (for state, federal or local taxes, student loan, training, etc.) his/her salary can be offset to satisfy the debt.

10. **COLLECTION OF DELINQUENT FEDERAL INCOME TAXES**

The Internal Revenue Service (IRS) can garnish the salary of federal employees for delinquent federal income tax.

11. **SEVERANCE PAY**

Employees who are involuntarily separated under reduction in force (RIF) procedures and are ineligible for immediate retirement benefits may be eligible for severance pay.

12. **BACK PAY**

Back pay and applicable interest are paid when an "unjustified or unwarranted" action causes money to be owed to an employee.

13. **OFFICE OF PRIMARY INTEREST**

Administrative Resource Center, Human Resources Division

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