

Non-exempt Staff employees are eligible to receive payment for unused overtime compensatory leave upon separation or at any time during the employee's active employment as determined by the practice of the organizational unit. The maximum cash out of overtime compensatory leave is not to exceed 120 hours.

Cash payment for unused overtime compensatory leave is made to an employee:

- within one year of the date of accrual (e.g., any hours earned that were not used by the employee within 12 months of being earned should be cashed-out);
- upon an employee's appointment to another organizational unit (college/division) within the university (paid by the current, not receiving unit);
- when the employee is appointed to a position in a Faculty or Administrative class or is appointed to a Temporary (formerly OPS) position;
- when the employee is appointed to a position in an exempt Staff class;
- upon an employee's separation from the university; or
- at any time prior to the above situations when the Dean/Director deems it necessary or appropriate in accordance with the internal operating procedures of the employee's organizational unit.

Complete the Overtime Cash Out section of the *Compensatory Leave Pay Out Form*. Indicate the converted hours (hours worked x 1.5) per the accumulated leave record.

It is important to indicate the actual overtime hours worked (not at 1.5 times the actual hours as they are kept on the books) because the overtime hours to be paid out will be classified as overtime in the payroll system, which automatically calculates the rate at time and a half on hours reported as overtime. If not converted back to the straight hours, the employee would be overpaid when the payout is processed.

The *Compensatory Leave Pay Out Form* is required only when Active employees are cashing out a portion or all of their accumulated overtime compensatory leave balance. For employees separating from the university, Payroll will make the leave payout automatically using the balance in ALT.

Taxation

Federal tax is withheld at the Federal Supplemental tax rate of 25%. Social Security and Medicare taxes are also applicable based on the employee's tax status.