MSD: Board-Approved 4240 Compensatory Time and Overtime Controls

The Board-approved unified leave policy, MSD Policy 4240, Section F, controls compensatory time and overtime administration for Millard School District. That provision applies to employees classified as non-exempt under the Fair Labor Standards Act. Employees classified as exempt under FLSA regulations are not eligible for overtime compensation or compensatory time.

Overtime work should be authorized in advance by the employee's supervisor whenever reasonably possible. An employee who works unauthorized overtime shall be compensated as required by federal wage and hour law, but may be subject to disciplinary action for failure to follow supervisory directives.

Overtime compensation may be provided as overtime pay at one and one-half (1.5) times the employee's regular hourly rate, or, with supervisory approval, as compensatory time off accrued at one and one-half (1.5) hours for each overtime hour worked.

Compensatory time balances may not exceed the limits permitted under federal law. Current limits include 240 hours for most employees and 480 hours for employees engaged in public safety, emergency response, or seasonal activities. Once the maximum balance is reached, additional overtime must be compensated through overtime pay rather than additional compensatory time accrual.

Employees may request to use accrued compensatory time in the same manner as other leave, subject to supervisory approval and operational needs. Supervisors should make reasonable efforts to allow employees to use accrued compensatory time within a reasonable period following the request and may direct employees to use accrued compensatory time within a specified timeframe to reduce liability and maintain appropriate balance levels.

Upon separation from employment, unused compensatory time shall be paid out in accordance with federal wage and hour regulations. Payment shall be made at the employee's regular rate of pay or the average rate received during the last three years of employment, whichever is higher, as required by federal law.

Compensatory time is not PTO, is not part of the Unified PTO Model, may not roll over into the Medical Leave Bank, does not qualify for retirement payout benefits, may not be transferred through the leave donation program, and is not included in any PTO buy-back program.

Supervisors are responsible for monitoring compensatory time accrual and usage. Accumulation beyond reasonable operational need may be restricted by the

District. Employees who fail to follow supervisory direction regarding overtime authorization or use of compensatory time may be subject to corrective action.

Source: MSD Policy 4240, Section F, approved 2026. Policy 4240 replaces and supersedes prior leave, compensatory time, overtime, and vacation leave provisions, including former MSD Policy 4250.