

24 November 1958

MEMORANDUM FOR: Chairman, Career Council

SUBJECT: Overtime Compensation Policy

1. The General Counsel is of the opinion that the Agency is not exempt from Title II (Compensation for Overtime) and Title III (Compensation for Night and Holiday Work) of the Federal Employees Pay Act of 1945. Title II provides that Federal Employees required to work in excess of 40 hours a week will be compensated. It provides for methods and rates of overtime compensation and places a definite limit on such compensation at the maximum scheduled basic rate of compensation provided for GS-15.

2. The 1954 amendment to Title II permits the employer (the DCI) at his own discretion to provide that an employee earning in excess of the maximum for grade GS-9 shall be compensated for overtime with an equal amount of compensatory time off. Employees earning the maximum for grade GS-9 or less have the undeniable option of choosing between overtime pay and compensatory time off.

3. The 1954 act adds a Title IV authorizing additional annual pay at rates up to 25 per cent of base pay rates in lieu of all overtime, night and holiday pay for employees performing standby duty and having longer than ordinary periods of duty. It also authorizes additional annual pay at rates up to 15 per cent of base pay rates in lieu of other pay for irregular or unscheduled overtime duty and for night and holiday duty for employees whose hours of duty cannot be controlled administratively and who are required to perform substantial amounts of irregular overtime and night and holiday duty with the employee generally being responsible for recognizing, without supervision, circumstances which require him to remain on duty. Employees in this latter category would receive overtime compensation for regularly scheduled overtime work officially ordered or approved. Both provisions of Title IV have application to certain categories of Agency employees.

4. Within the framework of these statutes it should be possible to establish a simple, feasible Agency policy for overtime compensation. The following is offered for consideration:

a. Agency employees officially ordered or approved to work in excess of 40 hours a week will be compensated therefor subject to the GS-15 pay limitation.

b. All employees below the grade of GS-10 have the option to choose to receive overtime pay or compensatory time off.

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c. All employees in grade GS-10 and above will be compensated for overtime work by receiving compensatory time off.

d. Selected categories of employees required to perform duties meeting the requirements for premium pay under Title IV will be granted such pay so long as they are assigned such duties.

5. The policy outlined above follows substantially the same pattern recommended previously by the Inspector General in his memorandum to the DCI dated 3 March 1958 with the exception of the premium pay provision. This policy together with the already established provisions for night and holiday pay will cover equitably all of the conditions met in Headquarters and the Field.

6. The control of overtime is a command responsibility the burden of which must be assumed by supervisors at all levels. It cannot be controlled successfully by the establishment of complex formulas or administrative contrivances.

7. It is

Recommended that:

The Career Council adopt the foregoing statements contained in paragraph 4 above as the Agency's policy on overtime compensation.

/s/

Lyman B. Kirkpatrick  
Inspector General

cc: All members of Career Council

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