



DEPARTMENT OF THE NAVY
BUREAU OF NAVAL PERSONNEL
5720 INTEGRITY DRIVE
MILLINGTON, TN 38055-0000

BUPERSINST 12600.4 CH-1
BUPERS-05
9 Dec 2020

BUPERS INSTRUCTION 12600.4 CHANGE TRANSMITTAL 1

From: Chief of Naval Personnel

Subj: OVERTIME, COMPENSATORY TIME, AND CREDIT HOURS FOR THE BUREAU OF NAVAL PERSONNEL

Encl: (1) Revised page 5

1. Purpose. To transmit revised page 5 of the basic instruction. This change adds the requirement for supervisors, or their designees, to input overtime requests into the Standard Labor Data Collection and Distribution Application (SLDCADA) at the same time the hard copy overtime requests are submitted to the civilian pay customer service representative.

2. Action. Remove page 5 of the basic instruction and replace with enclosure (1) of this change transmittal.

3. Records Management

a. Records created as a result of this change transmittal, regardless of format or media, must be maintained and dispositioned for the standard subject identification codes (SSIC) 1000 through 13000 series per the records disposition schedules located on the Department of the Navy/Assistant for Administration (DON/AA), Directives and Records Management Division (DRMD) portal page at <https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/Records-and-Information-Management/Approved%20Record%20Schedules/Forms/AllItems.aspx>.

b. For questions concerning the management of records related to this change transmittal or the records disposition schedules, please contact your local records manager or the DON/AA DRMD program office.

A handwritten signature in blue ink, appearing to read "J. W. HUGHES", is positioned above the printed name.

J. W. HUGHES
Deputy Chief of Naval Personnel

Releasability and distribution:

This change transmittal is cleared for public release and is available electronically only via BUPERS Web site, <http://www.public.navy.mil/bupers-npc/Pages/default.aspx>



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From: Chief of Naval Personnel

Subj: OVERTIME, COMPENSATORY TIME, AND CREDIT HOURS FOR THE
BUREAU OF NAVAL PERSONNEL

Ref (a) DoD 7000.14-R, Volume 8, Financial Management Regulation: Civilian Pay
Policies and Procedures, June 2016
(b) Public Law 93-259
(c) 5 U.S.C.
(d) 5 CFR 551

1. Purpose. To document the policies and procedures for overtime, compensatory time, and credit hours for the Bureau of Naval Personnel (BUPERS).
2. Cancellation. ADMINMAN 12600-010 and ADMINMAN 12600-180 of NAVPERSCOM 5000-M.
3. Scope and Applicability. This instruction is applicable to all BUPERS commands and subordinate activities.
4. Policy. BUPERS policy is to hold the amount of overtime worked to an absolute minimum. All levels of management must use every possible means to accomplish workloads within the normal working hours. The comptroller at each command must manage and oversee the use of overtime dollars.
5. Overtime and Compensatory Time
 - a. Public Law 93-259 brings Federal employees under the Fair Labor Standards Act (FLSA), and divides employees into two categories: exempt and nonexempt. This law does not repeal, amend, or otherwise modify any existing Federal pay laws. The exempt or nonexempt status of an employee can be found on the OF-8 Position Description cover sheet, the employee's SF-50 Notification of Personnel Action, or on the leave and earnings statement.
 - b. FLSA - Nonexempt Employees
 - (1) Under FLSA, management cannot accept the benefits of work performed by a nonexempt employee outside of the work schedule without compensating the employee for that work. Management must ensure supervisors enforce the rule that nonexempt employees must not perform work outside normal work hours unless ordered to do so, or unless the responsible manager or supervisor has clearly indicated that it will be approved after the fact, because

exigency of the situation prevents prior approval. Supervisors must inform all nonexempt employees that they must not begin work prior to their scheduled work hours and that they must cease work after 8 hours of work has been performed unless overtime has been approved by the respective head of the organizational unit (e.g., department head (DH), officer-in-charge (OIC), commanding officer (CO), or designee). Supervisors are responsible for monitoring compliance.

(2) It is important to emphasize that the FLSA does not in any way diminish a supervisor's responsibility for ordering or authorizing overtime work. The FLSA simply adds the additional supervisory responsibility to see to it that overtime work is not, in fact, performed by nonexempt employees except when payment for such overtime is intended.

(3) Under FLSA, time and a half is true time and a half. For example, if a general schedule (GS)-12, step-10, nonexempt employee works overtime, overtime pay is based on the scheduled rate for step-10 of GS-12, unlike reference (c), where there is a maximum limitation.

(4) In computing overtime pay for both GS and wage grade (WG) nonexempt employees, the schedule rate plus shift differential, plus environmental or hazard pay, plus any other types of regular pay the employee receives count in determining time and a half under FLSA.

c. FLSA - Exempt Employees

(1) Per reference (c), the overtime rate of pay for exempt employees at or below the first step of GS-10 is one and one-half times their basic hourly rate; however, the overtime rate of pay for exempt employees above the first step of GS-10 is one and one-half times the hourly rate of the first step of grade.

(2) Exempt employees whose basic pay is above the highest salary step for a GS-10 and who are ordered or allowed to perform overtime work will only be granted compensatory time off instead of overtime pay. Paid overtime will not be approved for such employees except upon a specific determination by the applicable head of the organizational unit, DH, OIC, CO, or designee. Compensatory time off must be granted by the supervisor before annual leave is approved except when annual leave would otherwise be forfeited. Example: If an employee has 40 hours of compensatory time and 160-hours of use or lose annual leave on the books, compensatory time should be granted to be used prior to using annual leave because the employee must have the opportunity to use the 160-hours prior to the end of the leave year. On the other hand, if an employee has 40-hours of compensatory time and 160-hours of use or lose annual leave on the books and is requesting holiday time off in November and December and the comp time is not 52-weeks old where it will pay out before the end of the leave year, annual leave should be granted.

(3) Per reference (c), graded employees will be permitted to receive additional compensation only to the extent that it does not cause their aggregate compensation for a biweekly pay period to exceed the maximum biweekly scheduled salary for GS-15. Compensatory time is considered compensation as referred to above.

(4) The Defense Finance and Accounting Service (DFAS) is responsible for computing overtime pay under the FLSA, as well as under reference (c), to determine which provides the greater pay benefit.

d. Requests for overtime and compensatory time must be requested by the head of the organizational unit, DH, OIC, CO, or designee at least one full pay period before the overtime or compensatory time is actually worked. Informal and unofficial arrangements made between a supervisor and an employee cannot serve as the basis for granting compensatory time. The head of the organizational unit, DH, OIC, CO, or designee is responsible for setting proper controls within his or her organization to ensure all overtime worked is accurately and properly reported.

e. Overtime or compensatory time requests must be submitted and approved in the Standard Labor Data Collection and Distribution Application (SLDCADA) before any hours are worked. Any hours performed above the normal work schedule as overtime, compensatory time or credit hours must have been worked prior to being entered on the timesheet. Projection of any hours above the normal work schedule is strictly prohibited. You cannot input hours to the timesheet on Friday that you plan to work on Saturday. Time should be input only after it has been completed.

f. Overtime is creditable for work in excess of a 40-hour work week or work in excess of an 8-hour workday (9-hour workday in case of compressed work schedule (CWS) employees). Normally, an employee will not be permitted to take non-emergency annual or sick leave during the pay period they are requesting overtime or compensatory time. An employee absent for a portion of the day on annual or sick leave will not be directed or permitted to work overtime on that day except under special circumstances. Requests for exceptions must be submitted in advance for approval. If an employee is on a CWS with a regular day off (RDO), and will need to work regular overtime or compensatory time, the supervisor should consider a change in work schedule, to include changing or cancelling the employee's RDO. Because of the nature of their employment, part-time employees are not to be scheduled to work in excess of an 8-hour workday, even though such work would be within the total number of work hours permitted per week under their appointment.

g. If an employee is called back to work for unscheduled overtime work, the employee must be given credit for at least 2-hours of overtime pay or compensatory time. An interval of not less than 1-hour will intervene between the end of the regular workday and the callback duty; otherwise, the overtime will be considered a simple extension of the workday.

h. The immediate supervisor has the primary responsibility for requests, SLDCADA input, ensuring overtime and compensatory time is actually worked, and the overtime (OX) and compensatory (CE) time certification codes are completed in SLDCADA.

i. Compensatory time is earned and granted at the rate of 1-hour (or quarter hour increment thereof) for each hour or quarter-hour increment of overtime worked. There is no limit on the amount of compensatory time that an employee may have to his or her credit at any one time. Once the compensatory time is 52-weeks old, the hours are automatically paid as overtime at the

pay rate the hours were earned. Compensatory time may be granted only to GS employees; it is not applicable to WG employees. Nonexempt employees cannot be required to accept compensatory time off instead of overtime pay; however, they can be granted compensatory time if they request it.

j. Holiday work is work performed on a holiday that falls within the normal 40-hour work week. Both GS and Federal wage schedule (FWS) employees are entitled to holiday pay for non-overtime work on a holiday. An employee must not be given compensatory time for the first 8-hours of holiday work. Holiday work must be for at least a 2-hour minimum. Compensation for work performed in excess of 8 hours on a holiday will be the same as for other authorized overtime. Holiday work must be requested, approved, and authorized through the same process as overtime.

k. Employees whose basic pay is at or below the highest step rate of compensation provided for grade GS-10 have a legal right to choose between overtime pay and compensatory time off for overtime work they are ordered to perform. All employees whose basic pay is above the highest salary step for a GS-10 and who are ordered or allowed to perform overtime work will only be granted compensatory time off for the first 80 hours instead of overtime pay. Paid overtime will not be approved for such employees with a current compensatory time balance of 80 or more hours except upon a specific determination by the applicable head of the organizational unit (e.g., DH, OIC, CO, or designee).

l. Overtime is credited and paid in increments of hours and quarter hours. Overtime will be reported on the timesheet in terms of hours and quarter hours. A minimum of one half-hour (30 consecutive minutes per day) of overtime work must be worked before any overtime compensation will be paid. After the first half-hour, overtime can be worked in quarter-hour (15 minute) increments. Overtime worked beyond the first half-hour may be credited in increments of hours, half-hours, and quarter-hours. Odd minutes of overtime will be rounded down on a daily basis to the closest quarter hour increment.

m. Approval will not be granted for overtime to be worked at home, in quarters while on temporary duty (TDY) or while en route to or from a station (in a travel status); however, overtime may be authorized for work performed in the office while TDY with proper supervision.

n. An employee must take a ½-hour, ¾-hour, or 1-hour lunch break during the workday. The lunch break will not be taken at the end of the workday to allow an employee to leave early. Overtime must not be performed or "suffered or permitted" to be performed during the mandatory half-hour or one-hour lunch break. A lunch break is not required when working overtime outside of the basic work week; however, if a lunch break is taken, overtime will be paid only for that period of time work is actually performed and the lunch break must be subtracted from the overtime hours worked.

6. Procedures for Requesting Overtime or Compensatory Time

a. For BUPERS, Navy Personnel Command (NAVPERSCOM), and Navy Pay and Personnel Support Center (NPPSC) overtime, compensatory time, or holiday work must be requested on NAVPERS 7421/1 Overtime/Compensatory Time Authorization Request, which can be obtained at <https://www.npc.navy.mil/ReferenceLibrary/Forms/NAVPERS/>. The completed form must be submitted to BUPERS, Total Force Human Resources and Manpower Office (BUPERS-05) for review and authorization by the NAVPERSCOM, Assistant Commander, Navy Personnel Command for Business Operations/Comptroller (PERS-5) or designee for approval in advance of the overtime, compensatory time, travel compensatory time, or holiday work being performed. All other commands must follow local command policy or contact the civilian pay customer service representative (CSR) for more information.

b. The period the overtime will actually be worked must be typed or written on the request to ensure prior approval. If a request is submitted after the fact, it will require additional justification to show there were unusual operational requirements that prevented the prior approval of the request. The request must clearly and specifically state why the work cannot be performed during regular work hours and describe the work to be done. All requests must be signed by the employee's supervisor and the applicable head of the organizational unit, DH, OIC, CO, or designee. The name, grade, and step of each employee who will work must be typed or written on the request.

c. Normally, the request for overtime or compensatory time must be submitted to the civilian pay CSR for review and forwarding for final disposition 2 pay periods in advance of the time to be worked but not less than 2 days in advance. An overtime request reflecting the requested hours should be input into SLDCADA by the supervisor, or his or her designee, at the same time the hard copy overtime request is submitted to the civilian pay CSR. The civilian pay CSR will input the designee's decision regarding the SLDCADA request. The requested hours should not be worked by any employee without receiving the SLDCADA approval. The civilian pay CSR must maintain the request for audit purposes. In emergency situations, the request should be submitted immediately, and should indicate why the request was late. In extreme emergencies, verbal or e-mail authorization from the head of the organizational unit, DH, OIC, CO, or designee should be received. The formal request should be submitted to the civilian pay CSR the next business day immediately following the emergency and should indicate why the request was submitted after the fact.

d. Supervisors must ensure accurate entries on the timesheet concerning the hours worked and must further ensure only necessary overtime is performed. Employees must not record overtime and compensatory time on the timesheet without prior written approval from the head of the organizational unit, DH, OIC, CO, or designee and or receipt of SLDCADA approval notification. Only the hours actually worked are to be recorded on the timesheet. Documenting hours to be worked (projection of hours) is strictly prohibited. This is considered falsification of attendance records and grounds for removal.

7. Procedures for Verifying Overtime or Compensatory Time Actually Worked

a. The supervisor is responsible for verifying that the employee(s) actually worked overtime. This can be accomplished by employing one of the following methods:

(1) Being physically present to observe the overtime work;

(2) Reviewing the work actually accomplished by the employee during the overtime hours; or

(3) Having an on-site supervisor initial the overtime report to verify that the overtime was actually worked.

b. After verifying that the overtime was approved and actually worked, the supervisor must sign and date the overtime or compensatory time certification sign-in/sign-out sheet, or any other form of internal overtime or compensatory time control and submit it to the timekeeper as soon as possible on or before payroll deadline day. Overtime and compensatory time sign-in and sign-out sheets must be available for audit purposes. For audit purposes, the timekeeper must retain the overtime and compensatory time sign-in and sign-out sheet for a period of 6 years and 3 months as supporting documentation.

8. Review. The head of the organizational unit (e.g. DH, OIC, CO, or designee) will annually review the use of overtime. The purpose of the review is to reduce the use of overtime where possible. The following categories will be reviewed very carefully:

a. Category A. An employee who currently has a regularly scheduled work week of more than 40 hours or has regularly scheduled standby duty for which payment is made.

b. Category B. An employee working a scheduled work week of 40-hours or less and who has received paid overtime during three consecutive pay periods.

c. Category C. An employee exempt from the FLSA and whose rate of basic pay exceeds the maximum rate for GS-10 or the equivalent in any other pay system, having been paid overtime in any amount during either the current calendar year or fiscal year without an accrued balance of 80 hours of compensatory time.

9. Credit Hours. BUPERS policy is to utilize credit hours as an effective tool for mission completion requirements in addition to compensatory time and overtime. Only employees covered by flexible work schedule programs may work credit hours. The law provides for credit hours only for flexible work schedules, but not all flexible work schedule programs provide for credit hours. There is no legal authority for credit hours under CWS. Supervisory approval must be obtained before any credit time can be worked.

a. Credit hours are distinguished from overtime hours in that they are not officially ordered and approved in advance by management. They are worked at the election of the employee with approval of the appropriate supervisor.

b. The maximum number of credit hours an employee may carry over from one pay period to a succeeding pay period is 24-hours for a full-time employee. The maximum varies for part-time employees. Part-time employees should contact their civilian pay CSR for specific information.

c. Credit hours are earned 1 credit hour, or 15-minute increment thereof, for each hour of voluntary work in excess of the employee's regularly scheduled basic work requirement. All employees have an 80-hour basic work requirement separated daily by the assigned work schedule.

(1) Credit hours must be approved by the supervisor before they are worked.

(2) Credit hours earned must be manually input to the SLDCADA timesheet.

(3) Credit hours may be worked on weekends.

(4) Any hours performed above the normal work schedule as credit hours must have been worked prior to being entered on the timesheet. Projection of any hours above the normal work schedule is strictly prohibited. An employee must not input the hours he or she plans to work on Saturday on the timesheet the preceding Friday afternoon.

(5) Credit hours cannot be used before they are earned (e.g., one cannot use hours on Monday that one plans to work on Wednesday). Credit hours must not be advanced.

d. When employees use credit hours, such hours are to be counted as a part of the basic work requirement to which they are applied the same as leave. Credit hours are requested in 15-minute increments in SLDCADA, the same as leave. Employees are entitled to their rate of basic pay for credit hours. An employee must not use credit hours to create or increase entitlement to overtime pay.

e. When employees transfer to another agency, separate, or are no longer subject to a flexible work schedule program, the employee will be paid for accumulated credit hours at their current basic rate of pay. Payment for accumulated credit hours is limited to a maximum of 24 hours for a full-time employee. An employee must not be compensated for credit hours for any other reason (e.g., excess unused credit hours that cannot be carried forward into the next pay period).

f. Credit hours must not be earned during travel or when excused for a weather emergency. Credit hours for training, conferences, temporary additional duty, or telework must be voluntary and approved in advance. Credit hours on a holiday can only be granted for time beyond the basic work requirement.

g. Employees must not be paid overtime pay, Sunday premium pay, or holiday premium pay for credit hours.

h. As with any other leave, if an employee is absent from work due to the approved use of credit hours and a decision is made before the start of that employee's normal tour of duty to close the base, they will not be charged for those credit hours.

10. Definitions

a. Basic Work Requirements. The basic work requirement of a flexible work schedule is the number of hours, excluding overtime hours, an employee must work (80 hours) or otherwise account for by leave, credit hours, holiday hours, excused absence, compensatory time off, or time off as an award.

b. Compensatory Time. Time off in lieu of pay for overtime worked (¼ hour for ¼ hour).

c. Credit Hours. Those hours within a flexible work schedule that an employee elects to work in excess of his or her basic work requirements so as to vary the length of a workweek or work day.

d. Duty Station. For purposes of determining entitlement to overtime pay for travel, the duty station for BUPERS employees is defined in block 39 of the employee's SF-50.

e. Exempt Employees. Those civilian employees who are exempt from (not covered by) the FLSA. These employees are covered in reference (d). This group is usually comprised of higher graded GS employees and managers.

f. Nonexempt Employees. Those civilian employees who are nonexempt from (covered by) the FLSA. These employees must also be covered in reference (d). This group is usually comprised of grades GS-9 and below and all WG employees.

g. Overtime. In general, overtime hours are hours of work that are ordered or approved (or are "suffered or permitted" for nonexempt employees) and are performed by an employee in excess of 8-hours in a day or 40-hours in a work week; or 9-hours in a day or between 32 and 45 hours in a work week based on the employees assigned work schedule.

h. Premium Pay. Premium pay is pay that an employee receives for working unusual hours or under abnormal working conditions. In general, this includes work at night, on Sunday, on a holiday, on overtime, or under certain hazardous conditions. Premium pay is different for GS and FWS employees.

i. Tour of Duty. In general, the tour of duty comprises all hours and days for which flexible and core hours have been designated. The tour of duty defines the limits within which an employee must complete his or her basic work requirement.

11. Questions. Questions may be directed to the BUPERS frequently asked questions (FAQ) email box at [MILL BUPERS-05 FAQ@navy.mil](mailto:MILL_BUPERS-05_FAQ@navy.mil).

12. Records Management. Records created as a result of this instruction, regardless of media and format, must be managed per Secretary of the Navy (SECNAV) Manual 5210.1 of January 2012.

13. Review and Effective Date. Per OPNAVINST 5215.17A, BUPERS-05 will review this instruction annually on the anniversary of its issuance date to ensure applicability, currency, and consistency with Federal, Department of Defense, SECNAV, and Navy policy and statutory authority using OPNAV 5215/40 Review of Instruction. This instruction will automatically expire 5 years after its issuance date unless reissued or canceled prior to the 5-year anniversary date, or an extension has been granted.

14. Form. NAVPERS 7421/1 Overtime/Compensatory Time Authorization Request can be obtained at <https://www.npc.navy.mil/ReferenceLibrary/Forms/NAVPERS/>.



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