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To: CSU Presidents

Reference: HR 2012-02

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Vice Chancellor
Human Resources

Subject: Compensable Time for Non-Exempt Employees Authorized to Travel on Official University Business

Overview

Audience: Human Resources Officers, Accounting Officers and/or campus designees responsible for administering CSU policy and procedures governing business travel compensation.

Action Item: Implement and communicate business travel compensation for non-exempt employees.

Affected Employee Group(s)/Units: All CSU non-exempt employees authorized to travel on official University business

Summary

This Technical Letter provides clarification for compensation of time worked while CSU non-exempt employees are conducting official University business outside of the employees' regular work site. Campus designees responsible for administering the CSU travel policy should review the remainder of this coded memorandum.

The purpose of this coded memo communication is to provide clarification on the payment of the time worked for individuals classified as non-exempt under the Fair Labor Standards Act (FLSA) when engaging in travel on official University business outside of their normal work schedule. Any time a non-exempt employee spends time performing work on behalf of the University, or work that the University knew or had reason to know was being performed by the employee, is considered hours worked and therefore deemed compensable time. This includes time spent traveling and working outside the office during business travel. The following situations are discussed in greater detail:

Time Spent Traveling

Commuting (traveling from home to the regular work site) is not considered compensable work hours. However, when a non-exempt employee is assigned to a location other than their regular work site for a one-day assignment, the time spent traveling to and from the location is considered "hours worked", except that the employer can deduct/not count the time that the employee would normally spend commuting to their regular work site. For example, if the travel time was one hour and the employee normally commutes 15 minutes to and from home and the regular work site, 45 minutes of the travel time that day will be considered "hours worked".

Distribution:

CSU Chancellor
Executive Vice Chancellor and CFO
Executive Vice Chancellor and CAO
All Campus Vice Presidents

Associate Vice Presidents/Deans of Faculty Affairs
Human Resources Officers
Payroll Managers
Accounting Officers

When a non-exempt employee is assigned to a location that requires extended (or overnight) travel, time spent driving or as a passenger to and from the event/location, including time spent waiting to purchase a ticket, check a bag, etc., is considered compensable "hours worked". Activities such as taking a break from travel to eat, sleep or engage in personal pursuits not connected with traveling, is not compensable. Once the employee reaches his or her hotel and is free to choose what they do and, therefore not under the "control" of the employer, such time is not considered compensable travel time.

Overtime and Paid Time Off

The University must include time worked during business travel when calculating overtime. As such, managers should consider time worked in scheduling travel for non-exempt employees. Additionally, some collective bargaining provisions may allow for the payment of overtime when incorporating paid time off. During a workweek in which the non-exempt employee has taken paid time off (e.g., vacation), overtime pay is based on hours worked. As a result, paid time off shall be counted as time worked. Please refer to the respective bargaining agreements and/or campus counsel to determine whether or not paid time off is considered time worked.

Questions regarding this memorandum should be directed to Human Resources Management at (562) 951-4411. This document is available on the Human Resources Management's Website at <http://www.calstate.edu/HRAdm/memos.shtml>.

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