



*The Transportation Security Administration shall adhere to Title 5 pay rules except to the extent that the Federal Aviation Administration or TSA has issued a policy that varies from a Title 5 pay rule.*

1. **PURPOSE:** This directive clarifies the procedures for paying overtime compensation to employees exempt under the Fair Labor Standards Act (FLSA). This directive supplements HRM Letter 550-2, “Interim Policy on Premium Pay For Employees Exempt Under the FLSA.” It transmits procedures for the approval of overtime and compensatory time, and provides instructions on how managers should determine whether to pay monetary compensation for overtime, or whether compensatory time should be given for overtime hours.
2. **SCOPE:** This directive applies to all TSA Employees exempt under FLSA.
3. **AUTHORITIES:** Aviation Transportation Security Act.
4. **DEFINITIONS:**
  - A. The Fair Labor Standards Act (FLSA) provides minimum wage and overtime pay protections for workers.
  - B. “Exempt” employees are those employees who are not covered by the overtime provisions of the FLSA. Generally, managers, professionals, and other white-collar workers are considered to be FLSA “exempt” employees.

If you have questions or concerns regarding whether certain employees are exempt, please contact Human Resources.

**5. RESPONSIBILITIES:**

Employees exempt from the Fair Labor Standards Act (See HRM Letter 550-2) working regular schedules (10-eight hour days during a pay period) are entitled to be compensated, either in pay or compensatory time off, subject to the limitations set forth below, for all hours of irregular or occasional overtime worked in excess of 8 in a day or 40 in a week, provided the additional hours are officially ordered and approved by management.

Employees working on Alternative Work Schedules (working 80 hours in less than 10 days during a pay period), are entitled to compensation for all irregular or occasional hours worked in excess of 80 in a pay period, provided they are officially ordered and approved by management.

All ordered overtime hours must be documented on the attached Overtime and/or Holiday Work Form (see attachment 1). Verbal and/or e-mail directions to work overtime are not authorized. Additionally, management has the right to direct certain “exempt” employees, to take compensatory time off in lieu of receiving overtime pay (See HRM Letter 550-2 §4(e)(2)).

TSA will compensate irregular or occasional overtime hours worked with compensatory time in lieu of monetary compensation for all employees earning more than the GS-10, step 10, rate (see

**TSA MANAGEMENT DIRECTIVE No. 1100.55-2  
OVERTIME AND COMPENSATORY TIME OFF IN LIEU OF  
OVERTIME COMPENSATION FOR EMPLOYEES EXEMPT FROM THE FLSA**

attachment 2 for 2003 GS-10, step 10 rates by locality area), unless monetary compensation is otherwise approved by the appropriate Assistant Administrator, Office Director or designee.

- 6. POLICIES & PROCEDURES:** The maximum allowable amount of basic/locality and premium pay (overtime, night differential, Sunday premium pay, holiday pay, and law enforcement availability pay) that may be earned in any biweekly pay period is the greater of \$4,807.20 or the biweekly rate of pay for GS-15, step 10 (see attachment 2 for specific geographic caps). Additionally, the maximum dollar value of compensatory time earned during a pay period is also the greater of \$4,807.20 or the appropriate GS-15, step 10 biweekly rate. Employees who work additional hours to the extent that their total biweekly earnings would exceed the applicable limitation will not receive any compensation for the excess hours, either in pay or compensatory time off. (The payroll system automatically imposes the premium pay cap when reached.)

**COMPENSATORY TIME-OFF:** All compensatory time is to be documented on the Time and Attendance (T and A) record. There will be no “unofficial” accounts, and only those hours appearing on the T and A may be used by an employee. TSA is not liable for compensating employees for hours kept in “unofficial” accounts.

An employee may accumulate up to 160 hours of compensatory time. Once an employee’s account exceeds 160 hours, the employee will be paid for the least valuable hours in his or her account. For example, if an employee has 160 hours of compensatory time, some of which was earned in 2002, and works 3 additional hours of overtime in December 2003, he/she will be paid for three hours of overtime at the 2002 pay rate, and the three most recent hours will be credited to his/her compensatory time account. This will also occur automatically through the payroll system.

**7. EFFECTIVE DATE & IMPLEMENTATION:**

This policy is effective immediately upon signature.

**APPROVAL**



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Richard A. Whitford  
Assistant Administrator for Human Resources

12/23/2003  
Date

Filing Instructions:	File with Office of Human Resources Directives
Effective Date:	Date directive is signed
Review Date:	One year anniversary of signed policy
Distribution:	TSA Employees
Point of Contact:	Jan Karicher, 571-227-2828



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Attachment 2

**2003 GS-10, STEP 10, RATES AND PREMIUM PAY CAPS BY LOCALITY AREA**

LOCALITY AREA	GS-10, STEP 10 RATE	PREMIUM PAY CAP
ATLANTA, GEORGIA	\$56,368	\$4,807.20
BOSTON-WORCESTER-LAWRENCE, MA-NH-ME-CT-RI	\$58,479	\$4,879.20
BOSTON-WORCESTER-LAWRENCE, MA-NH-ME-CT-RI LEO 1	\$60,500	\$4,921.60
BOSTON-WORCESTER-LAWRENCE, MA-NH-ME-CT-RI LEO 2	\$59,978	\$4,879.20
CHICAGO-GARY-KENOSHA, ILLINOIS-INDIANA-WISCONSIN	\$60,578	\$4,928.00
CINCINNATI-HAMILTON, OHIO-KENTUCKY-INDIANA	\$59,165	\$4,812.80
CLEVELAND-AKRON, OHIO	\$58,153	\$4,807.20
COLUMBUS, OHIO	\$58,299	\$4,807.20
DALLAS-FORT WORTH, TEXAS	\$58,466	\$4,807.20
<b>DAYTON-SPRINGFIELD, OHIO</b>	\$57,720	\$4,807.20
<b><i>DENVER-BOULDER-GREELEY, COLORADO</i></b>	\$58,362	\$4,869.60
DETROIT-ANN ARBOR-FLINT, MICHIGAN	\$59,124	\$4,932.80
HARTFORD, CONNECTICUT	\$58,763	\$4,903.20
HOUSTON-GALVESTON-BRAZORIA, TEXAS	\$61,291	\$5,113.60
HUNTSVILLE, ALABAMA	\$55,967	\$4,807.20
INDIANAPOLIS, INDIANA	\$55,850	\$4,807.20
KANSAS CITY, MISSOURI-KANSAS	\$56,068	\$4,807.20
LOS ANGELES-RIVERSIDE-ORANGE COUNTY, CALIFORNIA	\$59,857	\$4,994.40
MIAMI-FORT LAUDERDALE, FLORIDA	\$57,874	\$4,828.80
MILWAUKEE-RACINE, WISCONSIN	\$56,546	\$4,807.20
MINNEAPOLIS-ST. PAUL, MINNESOTA-WISCONSIN	\$57,380	\$4,807.20
NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NEW YORK-NEW JERSEY-CONNECTICUT-PENNSYLVANIA	\$59,409	\$4,956.80
ORLANDO, FLORIDA	\$57,758	\$4,807.20
PHILADELPHIA-WILMINGTON-ATLANTIC CITY, PENNSYLVANIA-NEW JERSEY-DELAWARE-MARYLAND	\$57,680	\$4,812.80
PITTSBURGH, PENNSYLVANIA	\$56,201	\$4,807.20
PORTLAND-SALEM, OREGON-WASHINGTON	\$57,446	\$4,807.20
RICHMOND-PETERSBURG, VIRGINIA	\$56,317	\$4,807.20
SACRAMENTO-YOLO, CALIFORNIA	\$57,609	\$4,807.20
ST. LOUIS, MISSOURI-ILLINOIS	\$55,931	\$4,807.20
SAN DIEGO, CALIFORNIA	\$58,006	\$4,840.00
SAN FRANCISCO-OAKLAND-SAN JOSE, CALIFORNIA	\$61,570	\$5,136.80
SEATTLE-TACOMA-BREMERTON, WASHINGTON	\$57,518	\$4,807.20
<b>WASHINGTON-BALTIMORE, DISTRICT OF COLUMBIA-MARYLAND-VIRGINIA-WEST VIRGINIA</b>	\$57,329	\$4,807.20
<b>(Consisting of the portions of the continental United States not located within another locality pay area.)</b>	\$55,743	\$4,807.20