**Company’s Overtime Policy**

**INTRODUCTION**

Overtime policies are in place to help employers manage employees who desire to work longer than their scheduled hours. This policy is particularly crucial in order to prevent their employees from working too long hours, which are harmful to their health and productivity.

Employees' eligibility status is communicated to them through a well-written overtime policy. Compensation, processes, and the approval process are all covered by the policy. All of these will aid a company in better managing its staff and keeping overtime compensation costs to a minimum.

**PURPOSE**

The overtime policy at our organization also describes how we will reimburse employees for hours done outside of their regular schedule.

We hope to achieve the following goals with this policy:

- Ensure that personnel are fairly compensated for the extra time they devote to their allocated assignment in order to complete it on time.

- Reduce overtime misuse, productivity losses, health and safety risks, and other relevant issues.

**SCOPE**

All current eligible employees who work during off-hours, weekends, or holidays are covered by the policy. Paid time off, such as vacation and sick leave, does not count toward working hours. Overtime benefits are not available to managers.

A typical workweek at (name of company) consists of (number of hours) worked. Overtime compensation shall be paid at a rate of (rate of pay) for hours worked in excess of (number of hours) hours in a workweek.

* Extra time worked at the choice of the employee or without supervisory consent (working through lunch or breaks, arriving early or staying late) is not eligible for overtime pay.
* The workweek begins on [Monday morning at (time) and finishes on Sunday night at (time)].
* If the employee and supervisor agree, overtime pay can also be obtained in the form of paid time off.
* Unless a supervisor approves otherwise, paid time off must be taken within (number of months) months of earning it. Supervisors may extend this time limit to a maximum of (number of months).

**ELIGIBILITY**

Employees can earn overtime compensation under the Fair Labor Standards Act (FLSA), depending on their categorization and income level:

* Exempt personnel are paid a salary and are not entitled to overtime pay, regardless of the number of hours they work. Exempt personnel are typically found in executive, administrative, and professional positions.
* Nonexempt employees who work more than [number of hours] hours per week are entitled to overtime pay.
* Employees who make less than [salary in INR] per year, both exempt and nonexempt, are eligible for overtime pay.

**OVERTIME APPROVAL**

Before using overtime, supervisors must get permission from their managers. Employees who expect to need overtime to finish the week's work must contact their managers ahead of time and acquire approval before working hours that exceed their regular schedule. Hours in excess of [number of hours] hours in a workweek require approval.

**MANDATORY OVERTIME**

During busy periods or in the event of an emergency, [Company name] reserves the right to ask any and/or all employees to work overtime. Only if an employee works more than [number of hours] each week is overtime paid. Following that, [business name] will pay employees time and a half for the extra hours worked.

Overtime is a legal condition of employment, and if an employee refuses to work overtime, he or she will face disciplinary action, including termination. Employees may only refuse overtime requests if they were not alerted at least [number of days/weeks] prior to the scheduled overtime period or if they have a valid reason.

**LIMITATIONS**

Every employee should be aware of the overtime restrictions.

* All personnel must accomplish their tasks within the allotted working hours.
* Overtime should only be used in emergency situations or when work is obviously outside of the typical daily schedule.
* Overtime should not be viewed as a secondary source of income. Management retains complete discretion at all times.
* Overtime includes work done on public holidays (including weekends).

We don't encourage unnecessary overtime at (name of firm). We aim to avoid losing production and morale, as well as work-related accidents, at any costs.

In order to create a healthy working environment, we will:

* Overtime hours should be recorded accurately and regularly.
* Employees should only work extra if they have urgent work to complete or a deadline to meet.
* Have all of the essential provisions in place to allow employees to finish their task during normal business hours.
* When we notice a drop in work quality or other concerns as a result of excessive working hours, we take steps to gradually minimize overtime.
* Set an overtime limit of (number of hours) per day/(number of hours) per week on a daily/weekly basis. Employees who work longer than that will be compensated in accordance with the law. Employees, on the other hand, are advised to adhere to this limit.

**EXCESSIVE OVERTIME**

We aim to avoid any instances of overtime abuse, whether by our company or by our employees, that could lead to legal action. We anticipate:

* Managers should refrain from requesting or encouraging their employees to work excessive overtime.
* Employees should avoid working excessive overtime in order to maximize their salary, as this may compromise the quality of their work.

We have a legal obligation to compensate overtime pay at the relevant rate in a timely way. Employees and management must adhere to our timekeeping methods in order for us to preserve accurate records.

Employees should read this policy and contact our Human Resources department with any issues.

**CONSEQUENCES OF EXCESSIVE OVERTIME**

Supervisors who allow employees to work overtime without first obtaining management consent will face disciplinary action. Supervisors who consistently rely on overtime hours to accomplish a week's work without extenuating circumstances being identified by management will face disciplinary action.

**DISCIPLINARY ACTION**

Violations of the overtime policy will result in disciplinary action, which could include termination. If an employee, including the Floor Supervisor and/or Manager, is suspected of breaking the rules, a comprehensive inquiry must be conducted. The severity of each scenario will be determined by the circumstances of each transgression.

**Disciplinary Guidelines in General:**

* A verbal and/or written warning may be issued for uncommon and accidental offenses.
* Violations that are repeated and willful may result in suspension and/or termination.

All disciplinary meetings may be attended by a union representative or a witness at the request of the employee. It is best to contact the Human Resource (HR) department for process instructions before approaching an employee suspected of breaking policy.

**PROCEDURE**

We need a simple system to comply with record-keeping and overtime compensation regulations. We should keep track of overtime in a timely manner. This is the procedure we recommend:

* Members of the team and their managers agree on the number of hours of overtime that will be required. Overtime should not be used in excess of legal restrictions, and employees should not be forced to work long hours.
* Managers should know if their employees are exempt or non-exempt, and make sure their employees are informed of this.
* Overtime is meticulously recorded by team members and managers.
* Overtime pay is calculated by [Finance/HR] using lawful pay rates.
* The next planned pay period is when team members receive their overtime pay.