

EMPLOYMENT LAW SUMMARY

Connecticut: Overtime Pay



Because You're Different

Federal overtime wage payment requirements are governed by the Fair Labor Standards Act (FLSA). Connecticut law also governs overtime wage payments. Under both laws, employees must receive one and one-half times their regular wage rate for all hours worked in excess of 40 hours in a workweek.

The Connecticut Department of Labor (CDOL), enforces overtime standards throughout the state.

OVERTIME PAY

Connecticut law requires employers to compensate their employees with **one and one-half times** their **regular wage rate** for any overtime hours worked. Overtime hours are hours worked in excess of 40 hours in a workweek. The hours an employee works during one workweek may **not** be averaged with the hours worked on any other workweek.

CALCULATING THE REGULAR RATE OF PAY

Employers must calculate their employees' regular wage rate before they can determine applicable overtime wages. An employee's regular rate is the actual rate of pay he or she receives for a standard, non-overtime workweek. This may vary from week to week and may be different from the employee's contractual rate of pay.

To calculate an employee's regular wage rate for a specific workweek, employers must divide the employee's **total compensation** for the week by the number of hours the employee worked during that week. Total compensation includes all compensation paid to an employee, including his or her hourly rate, any shift differential, any minimum wage tip credit, non-discretionary bonuses, production bonuses and commissions.

However, total compensation does **not** include:

- Reimbursable business expenses;
- Bona fide gifts;
- Discretionary bonuses;
- Employer investment contributions;
- Overtime and holiday premium pay; or
- Payment for non-working hours (vacation, sick leave or jury duty).

Under the Connecticut law, a workweek is a **fixed period of 168 hours**, or **seven consecutive 24-hour workdays**. A workweek may begin on any day of the week and at any hour of the day, without coinciding with a calendar week. To determine the number of hours an employee works during a workweek, an employer must consider any time during which the employee was subject to the employer's control. This includes any time the employee is allowed to work (regardless of whether he or she is required to work), waiting for a job assignment or waiting to begin work.

EXEMPTIONS FROM OVERTIME PAYMENT LAWS

In general, Connecticut's overtime wage laws do not apply to:

- Agricultural employees;
- Bona fide executive, administrative or professional employees;
- Outside sales personnel (as defined by the FLSA);
- Inside sales personnel whose sole duty is to sell a product or service, if they:
 - Have a regular wage rate of at least double the state minimum wage rate;
 - Receive more than half of their compensation in commission derived from goods or services; and
 - Do not work more than 54 hours during a seven-day workweek;
- Automobile sales personnel, including individuals who:
 - Sell automobile maintenance and repair services;
 - Have a regular wage rate of at least twice the state minimum wage rate;
 - Obtain at least half of their wages from commission on goods or services; and
 - Do not work more than 54 hours during a workweek;
- Bakery or milk delivery personnel paid on commission;
- Uniformed police officers and firefighters;
- Taxicab drivers;
- Beer delivery truck drivers;
- Divers and driver helpers subject to regulation by the Interstate Commerce Commission or the Department of Transportation;
- Mechanics exempt under the FLSA, if their actual weekly earnings exceed their wages at their contractual wage rate plus one and one-half times their contractual wage rate for any hours worked over 40;
- Radio and television announcers, news editors or chief engineers; or
- Highly compensated mortgage loan originators.

In addition, employees engaged in the operation of a hospital may agree to have their overtime calculated over a two-workweek, 80-hour period. Under these agreements, employees must receive one and one-half times their regular wage rate for any hours worked over 80 during the 14-day period.

PENALTIES

Employers that fail to pay wages required under Connecticut law may be subject to fines and imprisonment. The amount of the fine and the maximum term of imprisonment depend on the amount of unpaid wages tied to the violation.

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