



## Time Off Plans

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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DOL allows the use of “time-off plans.” A “timeoff plan” is very similar to compensatory time but involves leave taken during the same pay period. “State and local governments may use the time-off plan in addition to compensatory time; however, for a public agency that uses the 207(k) exemption for police and fire, time off may be granted in the pay period for which the work is done up to the maximum hours specified in the regulations.” 29 C.F.R. § 553.231(a).

Time-off plans are allowed only under the following conditions (427 U.S. 909 (1976); also Wage and Hour Opinion Letter, Dec. 27, 1968):

1. The employee must get time off at time and one-half for all hours worked over 40 in a week; and
2. The employee must take the compensatory time off during the same pay period in which it was accrued.

*Example:*

An employee who works 50 hours the first week of a two-week pay period can take off (or be ordered to take off) 15 hours and, accordingly, work only 25 hours the second week without any overtime premium due. If the 50 hours occur during the second week, the overtime premium will be due.

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