Michigan Civil Service Commission Regulation 5.02
Overtime, On-Call, and Callback Compensation

SPDOC 26-05, effective June 7, 2026 (replaces Reg. 5.02, SPDOC 25-10)

1. Purpose

This regulation establishes standards to pay overtime, on-call, and callback compensation.

2. CSC Rule References

5-4 Additional Compensation: Overtime, etc.

5-4.1 Additional Compensation

An appointing authority may require an employee to work under special conditions. An eligible employee working under the following special conditions is paid the pay premiums provided in this rule in accordance with the regulations.

5-4.2 Overtime

(a) Eligibility. The compensation schedules must identify each classification that is eligible for overtime pay. Overtime pay is paid to eligible employees for time in pay status, excluding sick leave, annual leave, funeral leave, and sick time, in excess of 40 hours in a week or as otherwise provided in the regulations.

(b) Rate. The overtime rate of pay is one and one-half times the employee's regular rate of pay, as defined in the regulations. The regulations may provide for accrual of compensatory time at the premium rate instead of a cash payment.

5-4.3 On-Call

(a) Eligibility. The compensation schedules must identify each classification that is eligible for on-call pay. On-call pay is paid to an eligible employee who is scheduled to be available to return to duty, work-ready, within a specific time.

(b) Rate. The on-call rate of pay is one hour of straight time pay for each 5 hours of on-call time.

5-4.4 Callback

(a) Eligibility. The compensation schedules must identify each classification that is eligible for callback pay. Callback pay is paid to an eligible employee who is not on scheduled on-call status but is called back to duty outside of normal working hours.

(b) Rate. Callback pay is paid at the overtime rate of pay. An eligible employee is paid for a minimum of 3 hours unless called back within 3 hours of the employee's regular starting time.

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3. Standards

A. Eligible Employees.

1. **Coding.** Employees in classifications with an eligibility code of "N" are eligible for overtime. Eligible is represented as "non-exempt" in HRMN. When processing a preauthorized reclassification, an agency shall enter the new classification's assigned eligibility code as reported in Section A of the Compensation Plan.

2. **Overtime.**

   a. **Rate.** The overtime rate is 1.5 times the employee's regular rate. The regular rate is the employee's base pay rate plus any applicable shift premium, special pay premium (e.g., prison rate), on-call, longevity, or other pay, except overtime premium.

   b. **Basis.**

      (1) Overtime payment is made to eligible employees for time worked in excess of 40 hours in a week, unless another calculation method authorized under federal law is used. Overtime payment is also made as provided in § 3.A.2.d(1) for some schedule changes.

      (2) Premium payment cannot be duplicated or pyramided for the same hours worked.

      (3) Time worked is defined as (a) hours actually spent in pay status, excluding sick, annual, funeral, military, and paid or reimbursed union leave, sick time, and (b) travel time required by and at the employer's discretion before, during, or after a regularly scheduled workday.

      (4) All paid leave, except sick time, and sick, annual, funeral, military, and paid or reimbursed union leave, counts as time worked to compute overtime. Holiday credit counts as time worked in computing weekly (or other longer period authorized under federal law) overtime only. If an employee works on a holiday, premium payment for the first 8 hours worked on the holiday is due and payable only when 40 hours in a week (or other amount authorized under federal law) are exceeded. The employee may, with the employer's approval, take another day in the same period as the holiday.

      (5) Unless otherwise authorized by the state personnel director, a day is defined as a 24-hour period beginning and ending at midnight and a week is defined as a seven-day period beginning Sunday and ending Saturday.

      (6) Unless otherwise authorized by the state personnel director, a biweekly work period consists of 80 hours of work, normally performed on 10 workdays within

the 14 consecutive days that coincide with current pay periods. A biweekly pay period is complete if the actual time worked, plus any paid administrative, annual, sick, paid or reimbursed union, military, or holiday leave equals or exceeds 80 hours.

c. Control.

(1) An agency may require an employee to work overtime and shall ensure that an employee does not work unauthorized overtime.

(2) An agency shall establish written policies to schedule and authorize overtime.

(3) An agency is responsible for pay for all overtime worked, even if unauthorized, if the agency accepts the benefits of the overtime work.

d. Scheduling.

(1) An employee's daily or biweekly work schedule may be changed temporarily.

(a) For full-time employees and for less-than-full-time employees with a regular work schedule, an agency shall post or provide notice of an employee's work schedule at least 96 hours before a biweekly work period begins. If the agency does not do so or if the employee's schedule is changed after 96 hours before the biweekly work period's start, the employee is eligible for overtime payment for all hours worked outside the employee's noticed work schedule for that pay period. Biweekly posting or notice of work schedule is not required for those with a regular work schedule, unless the regular schedule will change for that pay period or going forward.

(b) For noncareer employees, permanent-intermittent employees, or other less-than-full-time employees with variable schedules, an employee qualifies for overtime payment only if otherwise eligible based on the number of hours worked.

(2) If sufficient notice is available and the state's best interests allow, and considering work assignments and organizational units in the agency, the employer must offer overtime opportunities as equally as practicable among employees who normally perform the assigned duties.

(a) An agency's overtime scheduling and equalization standards must be reduced to a work rule, memorandum, policy, or other written document.

(b) An agency may measure overtime opportunities based on assignments or hours.

(c) An employee who declines to work offered voluntary overtime is counted as having worked in determining equalization of voluntary overtime.

(d) If enough employees normally performing the duties do not volunteer, the agency may offer overtime to other employees qualified to do the work. If enough employees do not volunteer or if there is an emergency, the agency may mandate overtime.

(e) An agency may equalize voluntary and mandated overtime separately or in coordination. An agency may consider voluntary overtime worked when determining equalization for mandating overtime. An agency may limit voluntary overtime during an equalization period for employees who renege on a voluntary overtime opportunity.

(f) When appointed to a position, an employee may be treated as having been offered the same amount of overtime as the active employee then with the fewest opportunities offered.

(g) After an extended leave, a returning employee may be treated as having been offered the same amount of overtime as the active employee then with the fewest opportunities offered, if more than the returning employee's overtime offered during the equalization period.

(h) Unless an agency establishes a different period, overtime equalization is evaluated based on overtime opportunities over a calendar year. In any grievance over overtime equalization, relief is limited to subsequent overtime opportunities.

(i) An agency may exclude overtime by employees held over to complete specific work in progress in overtime equalization considerations.

(j) An agency may establish different overtime-equalization policies for different classes of employees for legitimate business reasons based on broad occupational or organizational categories.

3. Compensatory time.

a. With the employer's approval, an employee may request to accrue compensatory time at the overtime rate instead of receiving payment for overtime, if agreed to before the work is performed.

b. An agency may adopt an accrual limit of up to 240 hours of compensatory time. For an employee engaged in public-safety, emergency-response, or seasonal activity, an agency may adopt an accrual limit of up to 480 hours.

(1) Public-safety activity refers to employees who enforce laws, maintain peace and order, have the power to arrest, and had or are undergoing specialized training. It also includes security personnel in correctional facilities.

(2) Emergency-response activity refers to rescue work and ambulance services.

(3) Seasonal activity refers to work during lengthy regular recurring periods of significantly increased demand.

c. When compensatory time is approved, the employee is paid for all premiums (e.g., shift, hazard except T-rate and G-rate, etc.) due for overtime hours worked at the overtime rate.

d. With the employer's approval, an employee may request a work-schedule adjustment within the week instead of accumulating overtime. Adjustments are not allowed for employees working in hospitals and residential-care facilities.

e. Scheduling and payoff.

(1) Compensatory time is used at the employee's convenience subject to supervisory approval based on criteria for using annual leave. The employer shall honor a request for compensatory-time use, unless it would be unduly disruptive.

(2) Compensatory time must be used before annual leave, unless an employee at the accumulation cap would lose annual leave.

(3) If an employee has not used accrued compensatory time during the fiscal year when accrued, the employee may be paid for the unused compensatory time at the higher of the regular rate or the average regular rate during the last three years. If not paid off, accrued compensatory time is carried forward to the next fiscal year.

(4) Any unused accrued compensatory time of an employee is paid upon the employee's resignation, retirement, dismissal, or layoff at the higher of the employee's regular rate or their average regular rate during the last three years. This does not apply to temporary layoffs.

(5) Except as provided in rule 5-4.6(c), any unused accrued compensatory time of an employee is paid when the employee moves to another agency. Payment is at the regular rate earned by the employee immediately before the move by the agency from which the employee moves.

(6) Accrued compensatory time cannot be frozen.

4. **On-call.**

   a. **Rate.** Employees scheduled for on-call duty are paid at the rate of one hour of straight-time pay for each five hours of on-call duty.

   b. **Basis.**

      (1) On-call is the scheduled state of availability to return to duty, work-ready, within a specified time period. General availability as backup to working personnel if an emergency occurs is not on-call.

      (2) An employee actually required to return to duty is compensated under the regulations on callback for hours actually worked or for which payment is required under § 3.A.5.

      (3) An employee is not paid on-call pay for regularly scheduled duty hours or while on paid authorized leave.

   c. **Control.**

      (1) The employer may require an employee to be on-call as needed in the manner most advantageous to the employer and consistent with the requirements of state employment and the public interest.

      (2) An agency must establish written policies to authorize and pay on-call time.

   d. **Scheduling.** An employee scheduled by an agency for on-call duty shall remain available through a prearranged means of communication. An employee on on-call duty who is unavailable when contact is attempted or cannot report, work ready, to duty within the prescribed time is ineligible for on-call pay for that date and may be disciplined. Work-schedule adjustments cannot be made based on on-call time.

   e. **Payment.** The employer cannot award compensatory time in lieu of payment for on-call time.

   f. **Overtime impact.** Pay earned for on-call time is included in the regular rate for overtime premium computation, but hours on-call are not.

5. **Callback.**

   a. **Rate.**

      (1) Full-time employees called back to duty are paid at the overtime rate established in § 3.A.2.a.

      (2) Less than full-time employees are compensated at straight-time rates, unless callback hours worked qualify for overtime under § 3.A.2.b(1).

b. Basis.

(1) Employees contacted to report to duty outside their normal working hours receive a minimum of three hours of pay, except that employees are compensated for the actual time worked if (a) called back to duty within three hours of their regular starting time or (b) the callback duty exceeds three hours.

(2) Employees on on-call status are not paid on-call pay for callback-duty hours.

c. Control.

(1) The employer may call an employee back to duty and schedule necessary callback duty in the manner most advantageous to the employer and consistent with the requirements of state employment and the public interest.

(2) An agency must establish written policies to authorize and pay callback duty.

6. **Timekeeping.** An agency shall maintain positive timekeeping records for all eligible employees with the total number of hours worked and leave hours used each day.

7. **Timeliness.** The employer shall make a good-faith effort to pay for overtime, on-call duty, and callback duty on the payday of the pay period when worked.

B. Ineligible Employees.

1. **Coding.** Employees in classifications with the eligibility code of "Y" are ineligible for overtime. Ineligible is represented as "exempt" in HRMN.

2. **Scheduling and control.** The agency establishes work schedules for ineligible employees. Employees are normally present during the regular course of the workday, but demands may vary by pay period. Absences without charge to leave credits may be granted for any period of time, if the agency certifies that the employee has completed the equivalent of a full pay period.

3. **Prior approval.** An agency must obtain prior written approval from Civil Service to compensate ineligible employees for overtime hours worked, on-call duty, or callback duty, or permit ineligible employees to accrue compensatory time.

a. Overtime, on-call, and callback. In addition to any specific requirements below, a request to compensate an ineligible employee for overtime, on-call, or callback must contain a justification demonstrating unusual circumstances necessitating the compensation, the beginning and end dates, the employee's name, ID number, classification, position code.

b. Ineligibility. SES and ECP Group-4 are not eligible and may not be approved for additional compensation under this subsection, except as provided in rule 5-4.6.

4. **Compensatory time.** Any plan to permit ineligible employees to accrue compensatory time requested for approval must include the following conditions and requirements:
   - **a.** The plan must include adequate information to identify positions covered.
   - **b.** Sick time or sick, annual, funeral, military, and paid or reimbursed union leave used in the work period cannot count toward eligibility to accrue compensatory time.
   - **c.** The employee is paid for all premiums (e.g., shift, hazard except P-rate, etc.) due for the overtime worked.
   - **d.** Accrued compensatory time is used at the employee's convenience subject to supervisory approval based on criteria applicable to using annual leave.
   - **e.** Accrued compensatory time must be used before annual leave, unless an employee at the accumulation cap would lose annual leave.
   - **f.** Ineligible employees cannot be paid for unused compensatory time accruals accrued as an ineligible employee, except as provided in rule 5-4.6.
   - **g.** Employees in the Senior Executive Service and ECP Group 4 cannot accrue or use compensatory time, except as provided in rule 5-4.6.
   - **h.** Any adoption or amendment to a plan must be approved in writing by Civil Service before taking effect.
   - **i.** Unless a lower rate is provided in the formalized plan, compensatory time is accrued at the rate of 1.5 hours per eligible hour worked.
   - **j.** Unless the plan provides a lower limit, the maximum accrual of compensatory leave allowed is 240 hours.
5. **Overtime.**
   - **a.** In addition to the requirements in § 3.B.3.a, a request to authorize overtime compensation for an ineligible employee must also contain the criteria to pay overtime if other than for hours worked in excess of 40 in a week.
   - **b.** Employees working an alternative work schedule have an 80-hour biweekly work period, if this minimizes overtime eligibility (e.g., an employee normally scheduled to work 45 hours in the first week and 35 hours in the second week of a pay period does not qualify for overtime for normally assigned hours.)
   - **c.** Sick time or sick, annual, funeral, military, and paid or reimbursed union leave used in the work period cannot count toward the threshold for overtime eligibility.
   - **d.** If approval is granted to pay overtime, the employee is paid at a premium rate determined as follows:

(1) If the employee's hourly rate is less than the highest rate of eligible employees, the overtime rate is 1.5 times the employee's regular rate, unless a lower rate is requested and approved.

(2) If the employee's hourly rate is greater than the highest rate of eligible employees, the overtime rate is the greater of straight time or 1.5 times the highest rate of eligible employees, unless a lower rate is requested and approved.

(3) If the employee's work assignments result in premiums being added to the base rate (e.g., shift differential, P-rate, etc.), the overtime rate is adjusted by the amount of the premium in the same proportion.

6. On-call.

a. Requests to pay on-call pay to ineligible employees must also address the following:

(1) Physical restrictions on the employee while on-call.

(2) Maximum response time allowed.

(3) Percentage of calls expected to be returned.

(4) Frequency of expected calls during on-call time.

(5) Potential use of on-call time by the employee.

(6) Disciplinary action for employees who fail to answer calls.

b. If approved, on-call pay is paid at the rate of one hour of straight-time credit for each five hours of on-call duty.

c. If compensatory time is used instead of payment for on-call pay, scheduling and use of compensatory time is in accordance with § 3.B.2.a.

d. Employees called back to work while in on-call status receive on-call pay while on callback duty, unless exception has been granted to pay callback pay.

7. Callback.

a. If approved, employees are compensated in the same manner as eligible employees under § 3.A.5.

b. Premiums and payments must be computed in accordance with overtime pay under § 3.B.5.

8. Timekeeping. The agency must maintain positive timekeeping records for all employees with the total number of hours worked and leave hours used each day.

9. Timeliness. The employer shall make a good-faith effort to pay for overtime, on-call duty, and callback duty on the payday of the pay period when worked.

C. Exceptions. An agency may request that the state personnel director approve authorized exceptions to the above standards.

Contact: Direct questions on this regulation to Compensation, Civil Service Commission, P.O. Box 30002, 400 South Pine Street, Lansing, Michigan 48909; at 517-241-0837; or MCSC-Compensation@mi.gov.