



**House  
Legislative  
Analysis  
Section**

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**COMP TIME INSTEAD OF  
OVERTIME PAY**

**House Bill 4236**

**Sponsor: Rep. Sue Tabor**

**Committee: Employment Relations,  
Training and Safety**

**Complete to 2-21-01**

**A SUMMARY OF HOUSE BILL 4236 AS INTRODUCED 2-14-01**

The bill would amend the Minimum Wage Law of 1964 to allow individual employees to opt for compensatory time ("comp" time) in lieu of overtime pay, whether or not the individual employee were represented by a collective bargaining agent or a representative appointed by the employee. The bill also would delete the current provision requiring employers to allow employees at least 10 days of leave a year without loss of pay in order for the employer to provide employees with compensatory time instead of overtime pay.

More specifically, the Minimum Wage Law currently requires employees to receive compensation at not less than one-and-one-half times their regular rate when they work for more than 40 hours in a workweek. Instead of overtime pay, however, the act allows employees to receive compensatory time off -- at a rate of not less than one-and-one-half hours for each hour of overtime employment -- subject to certain conditions. One of these conditions requires employers to allow employees a total of at least 10 days of leave a year without loss of pay and to provide the compensatory time to the employees under either a) applicable provisions of a written agreement (such as a collective bargaining agreement or a memorandum of understanding) between the employer and an employee representative; or b) for employees not represented by a collective bargaining agent (or other representative designated by the employee), a plan adopted by the employer (and provided to the employees) that provides employees with a voluntary option to receive compensatory time off for overtime work when there is an express, voluntary request to the employer by the employee, before performing any overtime assignment, for compensatory time off in lieu of overtime pay.

The bill would amend this provision to, instead, allow employers to allow compensatory time off (at the rate of one-and-one-half-hours for each hour of work that otherwise would require overtime pay) if the employer provided the compensatory time only under either a) applicable provisions of a written agreement, as currently, between the employer and the employee's representative; or b) an express, voluntary written agreement between the individual employee and the employer to provide compensatory time off in lieu of overtime pay.

Currently, the act also says that an employee is not required as a condition of employment to accept or request compensatory time. The bill would amend this provision to add "or to execute any agreement pertaining to compensatory time."

Finally, the act currently allows employees to use any compensatory time unless the use of the compensatory time for the period requested "will unduly disrupt the operations of the employer."

House Bill 4236 (2-21-01)

The bill would amend this provision to say that if the use of the compensatory time would unduly disrupt the employer's operations and the use of that time were denied, then the employee would be entitled to receive monetary compensation in lieu of the compensatory time off.

MCL 408.384a

House Bill 4236 (2-21-01)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.