



PAY ADMINISTRATION POLICY

I. PURPOSE

A. The purpose of the New Mexico Department of Finance and Administration's ("DFA") Pay Administration Policy ("Policy") is to establish: (i) a policy for pay administration for DFA Employees to ensure wages are equitable, reflect the requirements and responsibilities of Employee positions, and comparable to similarly situated positions; and (ii) procedures for compensating Employees for Over-time, Call-Back, On-Call, and Holiday Pay, in accordance with the New Mexico Personnel Act at N.M.S.A. (1978) § 10-9-1 *et seq.*, New Mexico Administrative Code ("NMAC") at 1.7.14-1.7.4.17, New Mexico Minimum Wage Act at N.M.S.A. (1978) § 50-4-20 *et seq.*, and the Fair Labor Standards Act at 29 U.S.C. § 201-262 ("FLSA").

II. POLICY

- A. Overtime pay may be provided in accordance with this Policy;
- B. Call-Back pay may be provided in accordance with this Policy;
- C. On-Call pay may be provided in accordance with this Policy; and
- D. Holiday pay may be provided in accordance with this Policy.

III. DEFINITIONS

- A. "**Agency**" means an organization required to be in compliance with the State Personnel Board Rules and Regulations.
- B. "**Agency Head**" means the DFA Cabinet Secretary.
- C. "**Appropriate Placement**" means those elements to be considered in determining pay upon hire, promotion, transfer or reduction including the employee's education, experience, training, certification, licensure, internal pay equity, budgetary availability and when known and applicable, Employee performance.

- D. **"Call-Back"** means Employees who are directed to return to work after completing their normal or alternative work schedule and before their next normal or alternative work schedule. Employees shall be compensated in accordance with the provisions of FLSA.
- E. **"Disciplinary Action"** means any action taken by an Agency to influence change in an Employee's performance or behavior to the expected standard, including letters of reprimand, suspensions, demotions, and Dismissal.
- F. **"Dismissal"** means the involuntary separation from employment with the DFA.
- G. **"Employee"** means (i) any person in a position in the classified service; (ii) an individual employed by the DFA, receives a wage from DFA, and whose work is under the direct control and supervision of the DFA; (iii) term, probationary, temporary, permanent, and exempt positions; or (iv) an applicant for employment within the DFA. "Employee" does not include independent contractors who perform work for New Mexico.
- H. **"Holiday"** means when an authorized holiday falls on an Employee's regularly scheduled workday.
- I. **"On-Call"** means Employees who spend time off work premises, in their own pursuits, where the Employee must remain available to be called back into work should the need arise.
- J. **"Over-time"** means time worked in excess of forty (40) hours during the designated work week, which shall be compensated in accordance with the provisions of the FLSA.

IV. OVERTIME

- A. There may be times when the DFA receives a task that exceeds its ability to meet its operating requirements or other mission essential needs during regular working hours. If this happens, Employees may be scheduled to work overtime hours.
- B. All FLSA non-exempt Employees' overtime (+40 hours per workweek) must be requested in advance of working the overtime and be approved by the respective supervisor and the Agency Head. The type of compensation for overtime work

(pay and/or comp-time) at a rate of 1.5 must be agreed to in advance by the management and the Employee working the overtime.

- C. State employees will only be allowed to carry a maximum amount of accrued comp time of eighty (80) hours at any given time.
- D. All supervisors/managers should ensure that Employees use their accrued compensatory time prior to using annual leave.
- E. All FLSA exempt Employee's overtime (+80 hours per pay period) must be requested in advance of working the overtime and be approved by the respective supervisor and the Agency Head. Compensation for overtime work will be limited to comp-time at a rate of 1.0, unless otherwise approved by the Agency Head.
- F. Pay for overtime work must be coordinated amongst the Employee's supervisor, the Agency Head, and the DFA Chief Financial Officer for approval and prior to working overtime.

V. CALL BACK:

- A. An Employee who is directed to return to work after completing their normal or alternative work schedule and before their next normal or alternative work schedule, shall be paid in accordance with the provisions of the FLSA, if the time worked resulted in Overtime. If the time worked on Call-Back did not result in Overtime, then the Employee shall be paid their hourly rates.

VI. ON-CALL:

- A. Employees shall be placed on-call only when there is a real possibility that they will be called back to address work situations requiring attention or state emergencies. Supervisors shall notify employees in advance when they are required to be on-call duty. Employees shall be compensated with compensatory time of three (3) hours per day for all days on-call. When an employee is called in to duty, additional compensatory time will be awarded for hours worked beyond the initial three (3) hours of on-call time.
- B. Employees who cannot be contacted while on-call duty or who fail to respond to job related situations requiring attention will not be compensated for the on-call time and may be subject to Disciplinary Action.

VII. HOLIDAY PAY:

- A. Full-time Employees, whose normal work schedule does not include the day observed as a holiday, shall be entitled to time off equal to the Employee's normal workday.
- B. Non-exempt Employees required to work on the day a holiday is observed, shall be compensated at two and one-half times their hourly rate of pay for all hours worked on the holiday. Such compensation shall be in the form of straight time cash payment for all hours worked and additional premium compensation, at DFA's discretion, of their compensatory time off or cash payment at one and one-half times the usual hourly rate of pay for all hours actually worked.
- C. Part-time Employees whose normal work schedule does not include the day a holiday is observed shall not be compensated for the holiday.
- D. Employees who have been charged absence without leave on the workday prior or directly following a holiday shall not be paid for the holiday.

I. **REVIEW AND APPROVAL.** This Policy is effective upon the signature of the DFA Cabinet Secretary, below.


Wayne Propst, **Cabinet Secretary**

12/29/2023
Date