



Time Is Money: Give Michigan Workers a Flexible “Comp-Time” Law

by Robert Hunter

Summary

Current state and federal labor laws make it difficult for employers and employees to negotiate arrangements whereby workers can exchange overtime pay for extra time off of work. Legislators should reform these laws to allow workers more flexibility in their work schedules so they can tend to their family, leisure, or other needs.

Main text word count: 714

In today’s workplace, punching a time clock in the old industrial factory fashion is disappearing. The nature of work is changing and so are the needs and desires of workers, who want ever more flexibility in their hours and how they are compensated for them. Laws governing the workplace, however, are not always keeping pace. The issue known as “comp time” is a case in point.

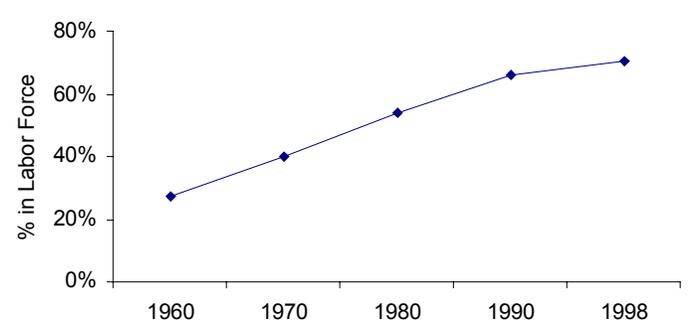
Under existing law, hourly wage earners must be paid time-and-a-half or more for anything beyond the normal eight-hour day. But as workers increasingly feel a need to adjust their work schedules to accommodate family activities, desired leisure time, or the work patterns of a spouse, the old overtime practice seems too rigid to many. Those workers would prefer to work overtime on some days and receive compensation for the extra hours not in cash but in the form of time off.

The problem is that antiquated wage laws prevent workers from trading overtime earnings for comparable time off—a practice known as “comp time” that is becoming increasingly common in non-unionized workplaces. Union leadership (but not so much the rank-and-file workers themselves) oppose the adoption of any laws that would grant this time option because they fear employers will abuse the system to avoid paying overtime wages altogether.

The 1964 Michigan minimum wage law sets minimum wage and overtime standards for many hourly employees not covered by the Federal Fair Labor Standards Act. Under these federal and state laws, employees must be paid in cash for overtime even though many would prefer the option of cashing in this pay for equivalent time off from work.

There is ample support for concluding that a sizable portion of today’s work force would like to have the comp-time option rather than cash wages. In its 1995 survey, Penn + Schoen Associates found that 75 percent of workers surveyed favored comp time. In fact,

Labor Force Participation Rates for Married Women with Children Are Increasing



Source: Statistical Abstract of the United States, 1999

More flexible work schedules will help the increasing numbers of working women with children balance their individual family and career needs.

continued on back

57 percent of those responding speculated that they would choose paid time off more frequently than overtime wages. They believe that wage laws ought to serve the evolving needs of families, not put roadblocks in their way.

Michigan's representatives in Washington can work to make the necessary changes at the federal level, but state legislators can act to extend the comp-time option to many workers right now. Today, there are more working, single parents and dual-income families than ever before. Especially for women in dual-earner and single-headed families, the compensatory time option would provide greater workplace flexibility.

The concern of union leadership about employer abuse can be met by designing a comp-time program that includes certain employee safeguards. The comp options must be completely voluntary; therefore, the actual decision to choose compensatory time off in lieu of monetary compensation should be left up to the employee exclusively. A comp-time plan must ensure against employer coercion, intimidation, and threats. Comp time must not be a condition of employment or it will defeat workers' control over their work schedule. It shouldn't be micromanaged from Lansing or Washington so as to encourage maximum flexibility depending upon local desires and conditions.

At the workplace, employees should be guaranteed that the terms of a comp-time agreement be in writing so no confusion can arise. Employers who wish to participate should assume the responsibility for accurate record keeping to verify each employee's accrued overtime which can be later swapped for a time when the employee needs to use it, subject to the employer's reasonable workplace requirements.

Comp time doesn't present a radical, untried idea. For many years, federal, state and local governments have granted comp-time options allowing their employees trouble-free compensatory time arrangements for leisure, family needs, or continuing education. It's time that employees in the private sector enjoyed the same benefits public-sector employees already enjoy.

The Michigan House Committee on Employment Relations has begun a legislative review with an eye toward changing state law to allow for comp time. Commenting on a bill that would do just that, one Michigan worker, Michel Joseph of Lansing, passionately told the committee, "As a working mother, this bill would give me flexibility I don't have now. That's all I want."

Granting Michigan workers more flexibility in their work schedules by recognizing their desire for comp time is a progressive, pro-worker, family-friendly reform whose time has come.

#####

(Robert Hunter, an attorney and former member of the National Labor Relations Board, is director of labor policy at the Mackinac Center for Public Policy in Midland. More information on labor law is available at www.mackinac.org. Permission to reprint in whole or in part is hereby granted, provided the author and his affiliation are cited.)

It's time that employees in the private sector enjoyed the same work schedule flexibility that public-sector employees already enjoy.

Attention Editors and Producers

Viewpoint commentaries are provided for reprint in newspapers and other publications. Authors are available for print or broadcast interviews. Electronic text is available at www.mackinac.org or on disk. Please contact:

Michael D. LaFaive
Research Project Manager
140 West Main Street
P.O. Box 568
Midland, MI 48640

Phone: (517) 631-0900
Fax: (517) 631-0964

www.mackinac.org
LaFaive@mackinac.org