

# OVERTIME GUIDELINES

## Applicable Policy

Remuneration Policy SMS 409 POL - A transparent, fair, and reasonable process for determining the appropriate remuneration at all levels of Springmount Services is essential. This ensures that all employees are informed and confident in the management of the Company.

Springmount Services overtime methodology will not contradict any legal guidelines. We will always follow relevant legislation when assigning or compensating overtime hours.

## Scope

These guidelines apply to all current eligible employees.

## Elements

"Standard working hours" are an employee's regularly scheduled working time. They are generally specified in employment contracts or awards and follow legal guidelines regarding minimum or maximum limits. "Overtime" that qualifies for compensation refers to any amount of time worked in addition to those hours.

Our general rules are:

- We'll classify our employees as exempt or non-exempt according to overtime pay laws or regulations.
- Non-exempt employees who work more than the standard working hours will be entitled to overtime pay.
- Employees are entitled to overtime pay regardless of where they work, if they perform work that our Company accepts for its business purposes.

## Excessive Overtime

Overtime may be necessary to handle emergencies, heavy workloads, or other issues. Regardless, frequent, and excessive overtime is not good for employees' health and performance. The law may or may not permit excessive overtime, but we want to avoid productivity and morale loss or work-related accidents due to fatigue.

For this reason, we will:

- Record overtime hours accurately and consistently.
- Advise employees to work overtime only when they must finish urgent work.
- Have all necessary provisions to allow employees to complete their work during standard working hours.
- Take measures to gradually reduce overtime when observing a decline in work quality or other issues due to excessive working hours.

- Set a daily/weekly cap for overtime at [2 hours per day/ 8 hours per week.] Employees who work more than that will be compensated according to legal requirements. However, we advise employees to respect this limit.

**We will not:**

- Ask employees to work more than the maximum number of hours per day or week permitted by law.
- Discriminate when choosing who must work overtime and how they will be compensated for it.

**Shift-based system**

When employees are working on a shift-based system, we will always abide by Award requirements.

**Who are exempt employees?**

The law may exempt some employees from overtime compensation. These employees will receive overtime at our Company's discretion. All company provisions about excessive overtime will apply to exempt employees too.

**Abuse of overtime**

We want to avoid any abuse of the overtime system, either by our Company or employees. We expect:

- Managers to avoid asking or encouraging their team members to work excessive overtime.
- Employees to avoid working unnecessary overtime aiming for the highest pay, as this may result in a trade-off with the quality of their work.

We are bound to compensate overtime pay at the correct pay rates promptly. Employees and managers should follow our timekeeping systems so we can maintain accurate records.

**Application and process**

To comply with record-keeping and overtime compensation requirements, we need a smooth procedure. We should record overtime timely. This is our suggested procedure:

- Team members and their managers agree on the hours of overtime needed. Overtime should not exceed any legal limits, and employees should not end up working excessive hours.
- Managers should know whether their team members are non-exempt or exempt and ensure their team members are aware.
- Team members and managers accurately record overtime.
- Payroll calculates overtime pay according to legal pay rates.
- Team members receive their overtime compensation in the next scheduled pay period.

## **TIME Off in Lieu of Overtime (TOIL)**

Some awards and registered agreements allow an employee to take paid time off instead of being paid overtime pay. This is also known as 'time in lieu', 'time off in lieu of 'TOIL'. In these instances, we will strictly abide by guidelines set by Fair Work Australia.

## **Subordinate Document**

N/A