To amend the Fair Labor Standards Act of 1938 to provide to private sector employees the same opportunities for time-and-a-half compensatory time off, biweekly work programs, and flexible credit hour programs as Federal employees currently enjoy to help balance the demands and needs of work and family, and for other purposes.

## IN THE SENATE OF THE UNITED STATES

February 5, 2003
Mr. Gregg (for himself, Mr. Sessions, and Mr. Enzi) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

## A BILL

To amend the Fair Labor Standards Act of 1938 to provide to private sector employees the same opportunities for time-and-a-half compensatory time off, biweekly work programs, and flexible credit hour programs as Federal employees currently enjoy to help balance the demands and needs of work and family, and for other purposes.

Be it enacted by the Senate and House of Representa2 tives of the United States of America in Congress assembled,

4 This Act may be cited as the "Family Time and 5 Workplace Flexibility Act".

## SEC. 2. WORKPLACE FLEXIBILITY OPTIONS.

(a) Compensatory Time Off.-Section 7 of the Fair Labor Standards Act of 1938 (29 U.S.C. 207) is amended by adding at the end the following:
"(r)(1)(A) Except as provided in subparagraph (B), no employee may be required under this subsection to receive compensatory time off in lieu of monetary overtime compensation. The acceptance of compensatory time off in lieu of monetary overtime compensation may not be a condition of employment or of working overtime.
"(B) In a case in which a valid collective bargaining agreement exists between an employer and the labor organization that has been certified or recognized as the representative of the employees of the employer under applicable law, an employee may only be required under this subsection to receive compensatory time off in lieu of monetary overtime compensation in accordance with the agreement.
"(2)(A) An employee may receive, in accordance with this subsection and in lieu of monetary overtime compensation, compensatory time off at a rate not less than one and one-half hours for each hour of employment for which monetary overtime compensation is required by this section.
"(B) In this subsection:
"(i) The term 'employee' means an individual-
"(I) who is an employee (as defined in section 3);
"(II) who is not an employee of a public agency; and
"(III) to whom subsection (a) applies.
"(ii) The term 'employer' does not include a public agency.
"(3) An employer may provide compensatory time off to employees under paragraph (2)(A) only pursuant to the following:
"(A) The compensatory time off may be provided only in accordance with-
"(i) applicable provisions of a collective bargaining agreement between the employer and the labor organization that has been certified or recognized as the representative of the employees under applicable law; or
"(ii) in the case of an employee who is not represented by a labor organization described in clause (i), a written agreement arrived at between the employer and employee before the performance of the work involved if the agreement was entered into knowingly and voluntarily by such employee and was not a condition of employment.
"(B) The compensatory time off may only be provided to an employee described in subparagraph (A)(ii) if such employee has affirmed, in a written statement that is made, kept, and preserved in accordance with section 11(c), that the employee has chosen to receive compensatory time off in lieu of monetary overtime compensation.
"(C) No employee may receive, or agree to receive, the compensatory time off unless the employee has been employed for at least 12 months by the employer, and for at least 1,250 hours of service with the employer during the previous 12 -month period.
"(D) An employee shall be eligible to accrue compensatory time off if such employee has not accrued compensatory time off in excess of the limit applicable to the employee prescribed by paragraph (4).
"(4)(A) An employee may accrue not more than 160 hours of compensatory time off.
"(B) Not later than January 31 of each calendar year, the employer of the employee shall provide monetary compensation for any unused compensatory time off accrued during the preceding calendar year that was not used prior to December 31 of the preceding calendar year
at the rate prescribed by paragraph (8). An employer may designate and communicate to the employees of the employer a 12 -month period other than the calendar year, in which case the compensation shall be provided not later than 31 days after the end of the 12 -month period.
"(C) The employer may provide monetary compensation for an employee's unused compensatory time off in excess of 80 hours at any time after providing the employee with at least 30 days' written notice. The compensation shall be provided at the rate prescribed by paragraph (8).
"(5)(A) An employer that has adopted a policy offering compensatory time off to employees may discontinue the policy for employees described in paragraph (3)(A)(ii) after providing 30 days' written notice to the employees who are subject to an agreement described in paragraph (3)(A)(ii).
"(B) An employee may withdraw an agreement described in paragraph (3)(A)(ii) at any time, by submitting a written notice of withdrawal to the employer of the employee. An employee may also request in writing that monetary compensation be provided, at any time, for all compensatory time off accrued that has not been used. Within 30 days after receiving the written request, the employer
shall provide the employee the monetary compensation due in accordance with paragraph (8).
"(6)(A)(i) An employer that provides compensatory time off under paragraph (2) to an employee shall not directly or indirectly intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce, any employee for the purpose of-
"(I) interfering with the rights of the employee under this subsection to request or not request compensatory time off in lieu of payment of monetary overtime compensation for overtime hours;
"(II) interfering with the rights of the employee to use accrued compensatory time off in accordance with paragraph (9); or
"(III) requiring the employee to use the compensatory time off.
"(ii) In clause (i), the term 'intimidate, threaten, or coerce' has the meaning given the term in section $13 \mathrm{~A}(\mathrm{~d})(2)$.
"(B) An agreement that is entered into by an employee and employer under paragraph (3)(A)(ii) shall permit the employee to elect, for an applicable workweek-
"(i) the payment of monetary overtime compensation for the workweek; or
"(ii) the accrual of compensatory time off in lieu of the payment of monetary overtime compensation for the workweek.".
(b) Remedies and Sanctions.-Section 16 of the Fair Labor Standards Act of 1938 (29 U.S.C. 216) is amended by adding at the end the following:
"(f)(1) In addition to any amount that an employer is liable under subsection (b) for a violation of a provision of section 7, an employer that violates section 7(r)(6)(A) shall be liable to the employee affected in an amount equal to-
"(A) the product of-
"(i) the rate of compensation (determined in accordance with section $7(\mathrm{r})(8)(\mathrm{A})$ ); and
"(ii)(I) the number of hours of compensatory time off involved in the violation that was initially accrued by the employee; minus
"(II) the number of such hours used by the employee; and "(B) as liquidated damages, the product of-
"(i) such rate of compensation; and
"(ii) the number of hours of compensatory time off involved in the violation that was initially accrued by the employee.
"(2) The employer shall be subject to such liability in addition to any other remedy available for such violation under this section or section 17, including a criminal penalty under subsection (a) and a civil penalty under subsection (e).".
(c) Calculations and Special Rules.-Section 7(r) of the Fair Labor Standards Act of 1938 (29 U.S.C. 207(r)), as added by subsection (a), is further amended by adding at the end the following:
"(7) An employee who has accrued compensatory time off authorized to be provided under paragraph (2) shall, upon the voluntary or involuntary termination of employment, be paid for the unused compensatory time off in accordance with paragraph (8).
"(8)(A) If compensation is to be paid to an employee for accrued compensatory time off, the compensation shall be paid at a rate of compensation not less than-
"(i) the regular rate received by such employee when the compensatory time off was earned; or
"(ii) the final regular rate received by such employee;
whichever is higher.
"(B) Any payment owed to an employee under this subsection for unused compensatory time off shall be considered unpaid monetary overtime compensation.
"(9) An employee-
"(A) who has accrued compensatory time off authorized to be provided under paragraph (2); and "(B) who has requested the use of the accrued compensatory time off;
shall be permitted by the employer of the employee to use the accrued compensatory time off within a reasonable period after making the request if the use of the accrued compensatory time off does not unduly disrupt the operations of the employer.
"(10) The terms 'monetary overtime compensation' and 'compensatory time off' shall have the meanings given the terms 'overtime compensation' and 'compensatory time', respectively, by subsection (o)(7).".
(d) Notice to Employees.-Not later than 30 days after the date of enactment of this Act, the Secretary of Labor shall revise the materials the Secretary provides, under regulations contained in section 516.4 of title 29 , Code of Federal Regulations, to employers for purposes of a notice explaining the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) to employees so that the notice reflects the amendments made to the Act by this section.

SEC. 3. BIWEEKLY WORK PROGRAMS AND FLEXIBLE CREDIT HOUR PROGRAMS.
(a) In General.-The Fair Labor Standards Act of 1938 is amended by inserting after section 13 (29 U.S.C. 213) the following:
"SEC. 13A. BIWEEKLY WORK PROGRAMS AND FLEXIBLE CREDIT HOUR PROGRAMS.
"(a) Voluntary Participation.-
"(1) In general.-Except as provided in paragraph (2), no employee may be required to participate in a program described in this section. Participation in a program described in this section may not be a condition of employment.
"(2) Collective bargaining agreement.In a case in which a valid collective bargaining agreement exists between an employer and the labor organization that has been certified or recognized as the representative of the employees of the employer under applicable law, an employee may only be required to participate in such a program in accordance with the agreement.
"(b) Biweekly Work Programs.-
"(1) In general.-Notwithstanding section 7, an employer may establish biweekly work programs that allow the use of a biweekly work schedule-
"(A) that consists of a basic work requirement of not more than 80 hours, over a 2 -week period; and
"(B) in which more than 40 hours of the work requirement may occur in a week of the period, except that no more than 10 hours may be shifted between the 2 weeks involved.
"(2) Conditions.-An employer may carry out a biweekly work program described in paragraph (1) for employees only pursuant to the following:
"(A) Agreement.-The program may be carried out only in accordance with-
"(i) applicable provisions of a collective bargaining agreement between the employer and the labor organization that has been certified or recognized as the representative of the employees under applicable law; or
"(ii) in the case of an employee who is not represented by a labor organization described in clause (i), a written agreement arrived at between the employer and employee before the performance of the work involved if the agreement was entered into knowingly and voluntarily by such em-
ployee and was not a condition of employment.
"(B) Statement.-The program shall apply to an employee described in subparagraph (A)(ii) if such employee has affirmed, in a written statement that is made, kept, and preserved in accordance with section 11(c), that the employee has chosen to participate in the program.
"(C) Minimum service.-No employee may participate, or agree to participate, in the program unless the employee has been employed for at least 12 months by the employer, and for at least 1,250 hours of service with the employer during the previous 12 -month period. "(3) Compensation for hours in sched-ule.-Notwithstanding section 7, in the case of an employee participating in such a biweekly work program, the employee shall be compensated for each hour in such a biweekly work schedule at a rate not less than the regular rate at which the employee is employed.
"(4) Computation of overtime.-All hours worked by the employee in excess of such a biweekly work schedule or in excess of 80 hours in the 2 -week
period, that are requested in advance by the employer, shall be overtime hours.
"(5) Overtime compensation provision.The employee shall be compensated for each such overtime hour at a rate not less than one and onehalf times the regular rate at which the employee is employed, in accordance with section 7(a)(1), or receive compensatory time off in accordance with section 7(r) for each such overtime hour.
"(6) Discontinuance of program or with-DRAWAL.-
"(A) Discontinuance of program.-An employer that has established a biweekly work program under paragraph (1) may discontinue the program for employees described in paragraph (2)(A)(ii) after providing 30 days' written notice to the employees who are subject to an agreement described in paragraph (2)(A)(ii).
"(B) Withdrawal.-An employee may withdraw an agreement described in paragraph (2)(A)(ii) at the end of any 2 -week period described in paragraph (1)(A), by submitting a written notice of withdrawal to the employer of the employee.

[^0]"(1) In general.—Notwithstanding section 7, an employer may establish flexible credit hour programs, under which, at the election of an employee, the employer and the employee jointly designate hours for the employee to work that are in excess of the basic work requirement of the employee so that the employee can accrue flexible credit hours to reduce the hours worked in a week or a day subsequent to the day on which the flexible credit hours are worked.
"(2) Conditions.-An employer may carry out a flexible credit hour program described in paragraph (1) for employees only pursuant to the following:
"(A) Agreement.-The program may be carried out only in accordance with-
"(i) applicable provisions of a collective bargaining agreement between the employer and the labor organization that has been certified or recognized as the representative of the employees under applicable law; or
"(ii) in the case of an employee who is not represented by a labor organization described in clause (i), a written agreement
arrived at between the employer and employee before the performance of the work involved if the agreement was entered into knowingly and voluntarily by such employee and was not a condition of employment.
"(B) Statement.-The program shall apply to an employee described in subparagraph (A)(ii) if such employee has affirmed, in a written statement that is made, kept, and preserved in accordance with section 11(c), that the employee has chosen to participate in the program.
"(C) Minimum service.-No employee may participate, or agree to participate, in the program unless the employee has been employed for at least 12 months by the employer, and for at least 1,250 hours of service with the employer during the previous 12 -month period.
"(D) Hours.-An agreement that is entered into under subparagraph (A) shall provide that, at the election of an employee, the employer and the employee will jointly designate, for an applicable workweek, flexible credit hours for the employee to work.
"(E) Limit.-An employee shall be eligible to accrue flexible credit hours if the employee has not accrued flexible credit hours in excess of the limit applicable to the employee prescribed by paragraph (3).
"(3) Hour limit.-
"(A) Maximum hours.-An employee who is participating in such a flexible credit hour program may accrue not more than 50 flexible credit hours.
"(B) Compensation date.-Not later than January 31 of each calendar year, the employer of an employee who is participating in such a flexible credit hour program shall provide monetary compensation for any flexible credit hours accrued during the preceding calendar year that were not used prior to December 31 of the preceding calendar year at a rate not less than the regular rate at which the employee is employed on the date the employee receives the compensation. An employer may designate and communicate to the employees of the employer a 12 -month period other than the calendar year, in which case the compensation
shall be provided not later than 31 days after the end of the 12 -month period.
"(4) Compensation for flexible Credit Hours.-Notwithstanding section 7, in the case of an employee participating in such a flexible credit hour program, the employee shall be compensated for each flexible credit hour at a rate not less than the regular rate at which the employee is employed. "(5) Computation of overtime.-All hours worked by the employee in excess of 40 hours in a week that are requested in advance by the employer, other than flexible credit hours, shall be overtime hours.
"(6) Overtime compensation provision.The employee shall be compensated for each such overtime hour at a rate not less than one and onehalf times the regular rate at which the employee is employed, in accordance with section 7(a)(1), or receive compensatory time off in accordance with section 7(r) for each such overtime hour.
"(7) Use of time.-An employee"(A) who has accrued flexible credit hours; and
"(B) who has requested the use of the accrued flexible credit hours,
shall be permitted by the employer of the employee to use the accrued flexible credit hours within a reasonable period after making the request if the use of the accrued flexible credit hours does not unduly disrupt the operations of the employer.
"(8) Discontinuance of program or with-DRAWAL.-
"(A) Discontinuance of program.-An employer that has established a flexible credit hour program under paragraph (1) may discontinue the program for employees described in paragraph (2)(A)(ii) after providing 30 days' written notice to the employees who are subject to an agreement described in paragraph (2)(A)(ii).
"(B) Withdrawal.—An employee may withdraw an agreement described in paragraph (2)(A)(ii) at any time, by submitting a written notice of withdrawal to the employer of the employee. An employee may also request in writing that monetary compensation be provided, at any time, for all flexible credit hours accrued that have not been used. Within 30 days after receiving the written request, the employer shall provide the employee the monetary compensa-
tion due at a rate not less than the regular rate at which the employee is employed on the date the employee receives the compensation.
"(d) Prohibition of Coercion.-
"(1) In general.-An employer shall not directly or indirectly intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce, any employee for the purpose of-
"(A) interfering with the rights of the employee under this section to elect or not to elect to work a biweekly work schedule;
"(B) interfering with the rights of the employee under this section to elect or not to elect to participate in a flexible credit hour program, or to elect or not to elect to work flexible credit hours (including working flexible credit hours in lieu of overtime hours);
"(C) interfering with the rights of the employee under this section to use accrued flexible credit hours in accordance with subsection (c)(7); or
"(D) requiring the employee to use the flexible credit hours.
"(2) Definition.-In paragraph (1), the term 'intimidate, threaten, or coerce' includes promising
to confer or conferring any benefit (such as appointment, promotion, or compensation) or effecting or threatening to effect any reprisal (such as deprivation of appointment, promotion, or compensation).
"(e) Definitions.-In this section:
"(1) Basic work Requirement.-The term 'basic work requirement' means the number of hours, excluding overtime hours, that an employee is required to work or is required to account for by leave or otherwise.
"(2) Collective bargaining.-The term 'collective bargaining' means the performance of the mutual obligation of the representative of an employer and the labor organization that has been certified or recognized as the representative of the employees of the employer under applicable law to meet at reasonable times and to consult and bargain in a good-faith effort to reach agreement with respect to the conditions of employment affecting such employees and to execute, if requested by either party, a written document incorporating any collective bargaining agreement reached, but the obligation referred to in this paragraph shall not compel either party to agree to a proposal or to make a concession.
"(3) Collective bargaining agreement.The term 'collective bargaining agreement' means an agreement entered into as a result of collective bargaining.
"(4) Election.-The term 'at the election of', used with respect to an employee, means at the initiative of, and at the request of, the employee.
"(5) Employee.-The term 'employee’ means an individual-
"(A) who is an employee (as defined in section 3);
"(B) who is not an employee of a public agency; and
"(C) to whom section 7(a) applies.
"(6) Employer.-The term 'employer' does not include a public agency.
"(7) Flexible credit hours.-The term 'flexible credit hours' means any hours, within a flexible credit hour program established under subsection (c), that are in excess of the basic work requirement of an employee and that, at the election of the employee, the employer and the employee jointly designate for the employee to work so as to reduce the hours worked in a week on a day subse-
quent to the day on which the flexible credit hours are worked.
"(8) Overtime hours.-The term 'overtime hours'-
"(A) when used with respect to biweekly work programs under subsection (b), means all hours worked in excess of the biweekly work schedule involved or in excess of 80 hours in the 2 -week period involved, that are requested in advance by an employer; or
"(B) when used with respect to flexible credit hour programs under subsection (c), means all hours worked in excess of 40 hours in a week that are requested in advance by an employer, but does not include flexible credit hours.
"(9) Regular Rate.-The term 'regular rate' has the meaning given the term in section 7 (e).".
(b) Remedies.-
(1) Prohibitions.-Section 15(a)(3) of the Fair Labor Standards Act of 1938 (29 U.S.C. 215(a)(3)) is amended-
(A) by inserting "(A)" after "(3)";
(B) by adding "or" after the semicolon; and
(C) by adding at the end the following:
"(B) to violate any of the provisions of section 13A;".
(2) Remedies and sanctions.-Section 16 of the Fair Labor Standards Act of 1938 (29 U.S.C. 216), as amended in section 2(b), is further amend-ed-
(A) in subsection (c)-
(i) in the first sentence-
(I) by inserting after " 7 of this Act" the following: ", or of the appropriate legal or monetary equitable relief owing to any employee or employees under section 13A"; and
(II) by striking "wages or unpaid overtime compensation and" and inserting "wages, unpaid overtime compensation, or legal or monetary equitable relief, as appropriate, and";
(ii) in the second sentence, by striking "wages or overtime compensation and" and inserting "wages, unpaid overtime compensation, or legal or monetary equitable relief, as appropriate, and"; and (iii) in the third sentence-
(I) by inserting after "first sentence of such subsection" the following: ", or the second sentence of such subsection in the event of a violation of section 13A,"; and
(II) by striking "wages or unpaid overtime compensation under sections 6 and 7 or" and inserting "wages, unpaid overtime compensation, or legal or monetary equitable relief, as appropriate, or";
(B) in subsection (e)-
(i) in the second sentence, by striking "section 6 or 7 " and inserting "section 6, 7, or 13A"; and
(ii) in the fourth sentence, in paragraph (3), by striking "15(a)(4) or" and inserting " 15 (a)(4), a violation of section 15(a)(3)(B), or"; and
(C) by adding at the end the following:
" $(\mathrm{g})(1)$ In addition to any amount that an employer is liable under the second sentence of subsection (b) for a violation of a provision of section 13A, an employer that violates section $13 \mathrm{~A}(\mathrm{~d})$ shall be liable to the employee affected for an additional sum equal to that amount.
"(2) The employer shall be subject to such liability in addition to any other remedy available for such violation under this section or section 17.".
(c) Notice to Employees.-Not later than 30 days after the date of enactment of this Act, the Secretary of Labor shall revise the materials the Secretary provides, under regulations contained in section 516.4 of title 29, Code of Federal Regulations, to employers for purposes of a notice explaining the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) to employees so that the notice reflects the amendments made to the Act by this section.

SEC. 4. PROTECTIONS FOR CLAIMS RELATING TO COMPENSATORY TIME OFF IN BANKRUPTCY PROCEEDINGS.

Section 507(a)(3) of title 11, United States Code, is amended-
(1) by striking "for-" and inserting the following: "on the condition that all accrued compensatory time off (as defined in section 7 of the Fair Labor Standards Act of 1938 (29 U.S.C. 207)) shall be deemed to have been earned within 90 days before the date of the filing of the petition or the date of the cessation of the debtor's business, whichever occurs first, for-"; and
(2) in subparagraph (A), by inserting before the semicolon the following: "or the value of unused, accrued compensatory time off (as defined in section 7 of the Fair Labor Standards Act of 1938 (29 U.S.C. 207))".

## SEC. 5. CONGRESSIONAL COVERAGE.

Section 203 of the Congressional Accountability Act of 1995 (2 U.S.C. 1313) is amended-
(1) in subsection (a)-
(A) in paragraph (1), by striking "and section 12(c)" and inserting "section 12(c), and section 13A"; and
(B) by striking paragraph (3);
(2) in subsection (b)-
(A) by striking "The remedy" and inserting the following:
"(1) In general.-Except as provided in paragraphs (2) and (3), the remedy"; and
(B) by adding at the end the following:
"(2) Compensatory time.-The remedy for a violation of subsection (a) relating to the requirements of section 7(r) of the Fair Labor Standards Act of 1938 (29 U.S.C. 207(r)) shall be such remedy as would be appropriate if awarded under sub-
section (b) or (f) of section 16 of such Act (29 U.S.C. 216).
"(3) Biweekly work programs and flexible credit hours programs.-The remedy for a violation of subsection (a) relating to the requirements of section 13A of the Fair Labor Standards Act of 1938 shall be such remedy as would be appropriate if awarded under sections 16 and 17 of such Act (29 U.S.C. 216, 217) for such a violation."; and
(3) in subsection (c), by striking paragraph (4).

## SEC. 6. TERMINATION.

The authority provided by this Act and the amendments made by this Act terminates 5 years after the date of enactment of this Act.


[^0]:    "(c) Flexible Credit Hour Programs.-

