

Overtime Policy Template

A practical starting point for how overtime is approved, recorded, compensated, and kept within healthy limits.

Organization	[Organization name]
Policy owner	[Role or person]
Effective date	[YYYY-MM-DD]
Review date	[YYYY-MM-DD]
Version	[1.0]

How to use this template

Replace the highlighted fields and choose the clauses that match how your organization works. Remove examples that do not apply. Share the final policy with everyone who works or approves overtime.

Important

This template is general operational guidance, not legal, payroll, tax, employment, or labor-law advice. Overtime eligibility, authorization, pay, rest breaks, and maximum hours vary by country, employer, and contract. Have a qualified adviser review the final policy when compliance matters.

1. Purpose

This policy explains how [organization name] handles overtime so that extra hours are planned, approved, recorded, and compensated fairly.

It aims to protect both delivery and people's wellbeing.

2. Scope

This policy applies to [employees / contractors / eligible roles]. Some roles may be exempt from overtime under [contract or local law].

Where a contract or local law sets different rules, those rules take priority.

3. What counts as overtime

Overtime is time worked beyond [standard daily or weekly hours], as defined by [contract or local law].

Short, incidental extra minutes are [handled per rule]; travel and on-call time follow [separate rules].

4. Prior approval

Overtime must be approved by [manager / role] before it is worked, except in a genuine emergency.

Requests state the reason, expected hours, and the work to be completed, and approval may set a maximum number of hours.

5. Recording overtime

Record all overtime in [system / overtime log / timesheet] with the date, hours, reason, and who approved it. Approved overtime is reconciled against the record before payroll or billing.

6. Compensation

Approved overtime is compensated as [paid at [rate] / time off in lieu / another method] according to [contract or local law].

The method and any rate multipliers are confirmed with [role] and applied consistently.

7. Limits and wellbeing

Working hours, including overtime, stay within [legal or policy limits], with required rest breaks between shifts.

Managers monitor overtime to avoid excessive or recurring extra hours and to protect health.

8. Eligibility and exemptions

[Describe which roles are eligible for paid overtime and which are exempt.]

Questions about eligibility go to [role].

9. Roles and responsibilities

People working overtime: seek approval first, record hours accurately, and flag workload concerns.

Managers: approve in advance, keep overtime reasonable, and verify records. Policy owner: maintain this policy and review it periodically.

10. Exceptions and questions

Emergency overtime worked without prior approval must be reported to [role] as soon as possible and recorded the same way.

Direct questions to [contact or channel].

Implementation checklist

- Define what counts as overtime and which roles are eligible.
- Set the approval process and who can authorize overtime.
- Decide how overtime is recorded and reconciled.
- Confirm compensation, rates, or time off in lieu.
- Set maximum hours and required rest breaks.
- Review local requirements, approve the policy, and share it with the team.

Policy approval and acknowledgement

Policy approved by	
Approval date	
Next review date	
Employee acknowledgement method	

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