

119TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Fair Labor Standards Act of 1938 to provide compensatory time for employees in the private sector.

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IN THE SENATE OF THE UNITED STATES

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Mr. LEE introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Fair Labor Standards Act of 1938 to provide compensatory time for employees in the private sector.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Working Families  
5 Flexibility Act of 2025”.

6 **SEC. 2. COMPENSATORY TIME.**

7 Section 7 of the Fair Labor Standards Act of 1938  
8 (29 U.S.C. 207) is amended by inserting after subsection  
9 (q) the following:

1       “(r) COMPENSATORY TIME OFF FOR PRIVATE EM-  
2 PLOYEES.—

3           “(1) GENERAL RULE.—An employee may re-  
4 ceive, in accordance with this subsection and in lieu  
5 of monetary overtime compensation, compensatory  
6 time off at a rate not less than one and one-half  
7 hours for each hour of employment for which over-  
8 time compensation is required by this section.

9           “(2) CONDITIONS.—An employer may provide  
10 compensatory time to employees under paragraph  
11 (1) only if such time is provided in accordance  
12 with—

13           “(A) applicable provisions of a collective  
14 bargaining agreement between the employer  
15 and the labor organization that has been cer-  
16 tified or recognized as the representative of the  
17 employees under applicable law; or

18           “(B) in the case of employees who are not  
19 represented by a labor organization that has  
20 been certified or recognized as the representa-  
21 tive of such employees under applicable law, an  
22 agreement arrived at between the employer and  
23 employee before the performance of the work  
24 and affirmed by a written or otherwise

1 verifiable record maintained in accordance with  
2 section 11(c)—

3 “(i) in which the employer has offered  
4 and the employee has chosen to receive  
5 compensatory time in lieu of monetary  
6 overtime compensation; and

7 “(ii) entered into knowingly and vol-  
8 untarily by such employees and not as a  
9 condition of employment.

10 No employee may receive or agree to receive com-  
11 pensatory time off under this subsection unless the  
12 employee has worked at least 1,000 hours for the  
13 employee’s employer during a period of continuous  
14 employment with the employer in the 12-month pe-  
15 riod before the date of agreement or receipt of com-  
16 pensatory time off.

17 “(3) HOUR LIMIT.—

18 “(A) MAXIMUM HOURS.—An employee  
19 may accrue not more than 160 hours of com-  
20 pensatory time.

21 “(B) COMPENSATION DATE.—Not later  
22 than January 31 of each calendar year, the em-  
23 ployee’s employer shall provide monetary com-  
24 pensation for any unused compensatory time off  
25 accrued during the preceding calendar year that

1 was not used prior to December 31 of the pre-  
2 ceding year at the rate prescribed by paragraph  
3 (6). An employer may designate and commu-  
4 nicate to the employer's employees a 12-month  
5 period other than the calendar year, in which  
6 case such compensation shall be provided not  
7 later than 31 days after the end of such 12-  
8 month period.

9 “(C) EXCESS OF 80 HOURS.—The em-  
10 ployer may provide monetary compensation for  
11 an employee's unused compensatory time in ex-  
12 cess of 80 hours at any time after giving the  
13 employee at least 30 days notice. Such com-  
14 pensation shall be provided at the rate pre-  
15 scribed by paragraph (6).

16 “(D) POLICY.—Except where a collective  
17 bargaining agreement provides otherwise, an  
18 employer that has adopted a policy offering  
19 compensatory time to employees may dis-  
20 continue such policy upon giving employees 30  
21 days notice.

22 “(E) WRITTEN REQUEST.—An employee  
23 may withdraw an agreement described in para-  
24 graph (2)(B) at any time. An employee may  
25 also request in writing that monetary com-

1           pensation be provided, at any time, for all com-  
2           pensatory time accrued that has not yet been  
3           used. Within 30 days of receiving the written  
4           request, the employer shall provide the em-  
5           ployee the monetary compensation due in ac-  
6           cordance with paragraph (6).

7           “(4) PRIVATE EMPLOYER ACTIONS.—An em-  
8           ployer that provides compensatory time under para-  
9           graph (1) to employees shall not directly or indi-  
10          rectly intimidate, threaten, or coerce or attempt to  
11          intimidate, threaten, or coerce any employee for the  
12          purpose of—

13                 “(A) interfering with such employee’s  
14                 rights under this subsection to request or not  
15                 request compensatory time off in lieu of pay-  
16                 ment of monetary overtime compensation for  
17                 overtime hours; or

18                 “(B) requiring any employee to use such  
19                 compensatory time.

20          “(5) TERMINATION OF EMPLOYMENT.—An em-  
21          ployee who has accrued compensatory time off au-  
22          thorized to be provided under paragraph (1) shall,  
23          upon the voluntary or involuntary termination of  
24          employment, be paid for the unused compensatory  
25          time in accordance with paragraph (6).

1 “(6) RATE OF COMPENSATION.—

2 “(A) GENERAL RULE.—If compensation is  
3 to be paid to an employee for accrued compen-  
4 satory time off, such compensation shall be paid  
5 at a rate of compensation not less than—

6 “(i) the regular rate received by such  
7 employee when the compensatory time was  
8 earned; or

9 “(ii) the final regular rate received by  
10 such employee,  
11 whichever is higher.

12 “(B) CONSIDERATION OF PAYMENT.—Any  
13 payment owed to an employee under this sub-  
14 section for unused compensatory time shall be  
15 considered unpaid overtime compensation.

16 “(7) USE OF TIME.—An employee—

17 “(A) who has accrued compensatory time  
18 off authorized to be provided under paragraph  
19 (1); and

20 “(B) who has requested the use of such  
21 compensatory time,

22 shall be permitted by the employee’s employer to use  
23 such time within a reasonable period after making  
24 the request if the use of the compensatory time does  
25 not unduly disrupt the operations of the employer.

1           “(8) DEFINITIONS.—For purposes of this sub-  
2           section—

3                   “(A) the term ‘employee’ does not include  
4           an employee of a public agency; and

5                   “(B) the terms ‘overtime compensation’,  
6           ‘compensatory time’, and ‘compensatory time  
7           off’ shall have the meanings given such terms  
8           by subsection (o)(7).”.

9   **SEC. 3. REMEDIES.**

10          Section 16 of the Fair Labor Standards Act of 1938  
11   (29 U.S.C. 216) is amended—

12           (1) in subsection (b), in the first sentence, by  
13          striking “(b) Any employer” and inserting “(b) Ex-  
14          cept as provided in subsection (f), any employer”;  
15          and

16           (2) by adding at the end the following:

17          “(f) An employer that violates section 7(r)(4) shall  
18          be liable to the employee affected in the amount of the  
19          rate of compensation (determined in accordance with sec-  
20          tion 7(r)(6)(A)) for each hour of compensatory time ac-  
21          crued by the employee and in an additional equal amount  
22          as liquidated damages reduced by the amount of such rate  
23          of compensation for each hour of compensatory time used  
24          by such employee.”.

1 **SEC. 4. NOTICE TO EMPLOYEES.**

2 Not later than 30 days after the date of enactment  
3 of this Act, the Secretary of Labor shall revise the mate-  
4 rials the Secretary provides, under regulations published  
5 in section 516.4 of title 29, Code of Federal Regulations  
6 (or any corresponding similar regulation or ruling), to em-  
7 ployers for purposes of a notice explaining the Fair Labor  
8 Standards Act of 1938 (29 U.S.C. 201 et seq.) to employ-  
9 ees so that such notice reflects the amendments made to  
10 such Act by this Act.

11 **SEC. 5. GAO REPORT.**

12 Beginning 2 years after the date of enactment of this  
13 Act and each of the 3 years thereafter, the Comptroller  
14 General shall submit a report to Congress providing, with  
15 respect to the reporting period immediately prior to each  
16 such report—

17 (1) data concerning the extent to which employ-  
18 ers provide compensatory time pursuant to section  
19 7(r) of the Fair Labor Standards Act of 1938, as  
20 added by this Act, and the extent to which employ-  
21 ees opt to receive compensatory time;

22 (2) the number of complaints alleging a viola-  
23 tion of such section filed by any employee with the  
24 Secretary of Labor;

25 (3) the number of enforcement actions com-  
26 menced by the Secretary or commenced by the Sec-



1       retary on behalf of any employee for alleged viola-  
2       tions of such section;

3               (4) the disposition or status of such complaints  
4       and actions described in paragraphs (2) and (3); and

5               (5) an account of any unpaid wages, damages,  
6       penalties, injunctive relief, or other remedies ob-  
7       tained or sought by the Secretary in connection with  
8       such actions described in paragraph (3).

9       **SEC. 6. SUNSET.**

10       This Act and the amendments made by this Act shall  
11       expire 5 years after the date of enactment of this Act.