

## OVERTIME

### 1. Workweek

- A. 7 consecutive days
- B. fixed and recurring
- C. each workweek stands alone

### 2. Regular Rate

- A. The regular rate is an hourly rate or a rate per hour
- B. The regular rate is determined by dividing the total remuneration (total straight-time earnings) for employment in any workweek by the total number of hours actually worked in the workweek

### 3. Examples of Regular Rate Determination

- A. John Doe is paid \$10 per hour (John's regular rate is \$10)
- B. Sally Jones is paid \$300 per week (for whatever number of hours she works)
  - 1. Sally works 45 hours in a given week
  - 2. Sally's regular rate is \$300 divided by 45 = \$6.66666666... or \$6.67
- C. Frank Blow is paid on a piece-rate basis
  - 1. During a given workweek, Frank works 47 hours and he earns \$275 via piece rates.
  - 2. Frank's regular rate is \$275 divided by 47 = \$5.85
- D. Mary Phillips is an inside commissioned salesperson.
  - 1. During a given workweek, Mary works 43 hours and earns \$425 in commissions
  - 2. Mary's regular rate is \$425 divided by 43 = \$9.88
- E. Chuck Williams is a waiter at the local restaurant.
  - 1. During a given workweek, Chuck works 45 hours. He is paid \$2.13 per hour by the restaurant and he receives at least \$3.02 per hour in tips for each hour that he works.
  - 2. His regular rate is \$5.15 per hour (\$2.13 + \$3.02).

#### 4. Overtime Computations

A. Not less than one and one-half times the regular rate for hours worked over 40 in the workweek

1. 1 and  $\frac{1}{2}$  or 1.5
  - a. the "1" = straight-time pay
  - b. the "1/2" = the overtime pay
2. "1" (straight-time) + "1/2" (overtime) = gross pay

B. John Doe works 51 hours in a week at \$10 per hour

1.  $51 \times \$10 = \$510.00$
  2.  $11 \times \$5 = \$55.00$  OR
- \$565.00

1.  $40 \times \$10 = \$400.00$
  2.  $11 \times \$15 = \$165.00$
- \$565.00

C. Sally Jones works 45 hours in a week and receives \$300.

1. \$300 divided by 45 = \$6.67 (regular rate)
  2.  $\$6.67 \times \frac{1}{2} = \$3.335$
  3.  $\$3.335 \times 5 = \$16.68$
  4. gross pay
    - a. straight-time = \$300.00
    - b. overtime = \$16.68
- \$316.68

D. Frank Blow works 47 hours one week and earns \$275 via piece-rates

1. \$275 divided by 47 = \$5.85 (regular rate)
  2.  $\$5.85 \times \frac{1}{2} = \$2.925$
  3.  $\$2.925 \times 7 = \$20.48$
  4. gross pay
    - a. straight-time pay = \$275.00
    - b. overtime pay = \$20.48
- \$295.48

E. Mary Phillips works 43 hours one week and earns \$425.00 in commissions.

1. \$425 divided by 43 = \$9.88
  2.  $\$9.88 \times \frac{1}{2} = \$4.94$
  3.  $\$4.94 \times 3 = \$14.82$
  4. gross pay
    - a. straight-time pay = \$425.00
    - b. overtime pay = \$14.82
- \$439.82

F. Chuck Williams (waiter) works 45 hours one week and earns \$231.75 as follows:

1.  $\$2.13 + \$3.02 = \$5.15$  (regular rate)
2.  $\$5.15 \times 45 = \$231.75$  (total straight-time earnings)
3.  $\$5.15 \times \frac{1}{2} = \$2.575$
4.  $\$2.575 \times 5 = \$12.875$  or  $\$12.88$