



# AMPLE CALCULATIONS FOR OVERTIME

- First:** *The employee must maintain a time record that lists the daily total of hours worked in each classification, hours worked, and weekly total hours worked. These hours must be recorded in the employee's own handwriting.*
- Second:** *The fringe benefit rate is to be paid at straight time for all hours worked, including hours in excess of 40 per week.*
- Third:** *Premium overtime, at one and one-half times the employee's average rate of pay must be paid for all hours "worked" in excess of 40 per week*
- Fourth:** *Average rate is determined by taking the total straight time wages and dividing by total hours worked. Premium overtime rate is one-half the average rate.*

*Example 1. EMPLOYEE WORKS ALL HOURS ON PREVAILING WAGE  
(no fringe benefits provided)*

Carpenter prevailing wage rate:	$\$19.60$ base + $\$7.20$ fringe = $\$26.80$
Employee's regular hourly rate:	$\$18.00$ /hour
<b>Weekly payroll:</b>	
Prevailing Rate Hours:	Base - 45 x $\$19.60$ = \$ 882.00
Fringe Benefit	- 45 x 7.20 = \$ 324.00
Overtime:	$(\frac{1}{2} \times 19.60 = 9.80)$ 5 x 9.80 = <u>\$ 49.00</u>
Total Wages Due:	<u>\$1,225.00</u>

*Example 2. EMPLOYEE WORKS A COMBINATION OF RATE AND NON-RATE HOURS  
(no fringe benefits provided)*

Carpenter prevailing wage rate:	$\$19.60$ base + $\$7.20$ fringe = $\$26.80$
Employee's regular hourly rate:	$\$18.00$ /hour
<b>Weekly payroll:</b>	
Regular hours:	24 hours x 18.00 = \$ 432.00
Prevailing Rate Hours:	Base - 20 x $\$19.60$ = \$ 392.00
Fringe Benefit	- 20 x 7.20 = \$ 144.00
Overtime	4 x 9.36 = <u>37.44</u>
Total Wages Due:	<u>\$1,005.44</u>

**Overtime Calculations:**  
 $\$432.00 + \$392.00 = \$824.00$  divided by 44 hours =  $\$18.73$  (average rate)  
 Average Rate =  $\$18.73$   
 Due  $\frac{1}{2}$  times  $\$18.73 = \$9.36$  (premium overtime)