

# Saint Joseph's College

## Policy Guidebook

**Human Resources**

**Section Name:** Payroll Processing and Pay Administration

**Section Number:** 7.02

**Effective Date:** 7/1/2020

### **SUBJECT: Overtime**

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#### **Purpose:**

To establish the proper approval, acknowledgement and payment for work done in excess of a regularly scheduled work week and ensure compliance with the Federal Fair Labor Standards Act (FLSA) criteria for mandatory overtime payment of all non-exempt staff members.

#### **Applicable to:**

Non-exempt staff and students

#### **Policy:**

#### **Definitions**

Overtime - paid at one and one-half times the regular hourly rate of pay for hours worked in excess of 40 hours in the work week.

Work week - The College's standard work week for pay computation purposes is 12:01 a.m. Monday through 12:00 midnight Sunday.

All overtime shall be assigned by the department director/manager to meet operational needs. Overtime by non-exempt employees must be approved in advance, but if worked it must be compensated, whether approved or not. An employee is to report overtime worked at the time of reporting other hours in a pay-period. Non-exempt employees cannot donate their services to any program under the direction of Saint Joseph's College and are not permitted to work in excess of their regularly scheduled work hours without prior management approval.

#### **Overtime**

According to the Fair Labor Standards Act (FLSA), a non-exempt staff member who works more than 40 hours in a work week must be paid an overtime rate of one and one-half times his/her regular hourly rate of pay for all time actually worked in excess of 40 hours in the work week.

When calculating an employee's overtime rate of pay for time worked in excess of 40 hours the College includes actual time worked (worked hours) in that work week. Worked hours do not include paid time such as earned time, holidays, jury duty, bereavement, wellness, etc.

**Overtime Examples:**

**Non-Exempt 40 Hour Per Week:**

A non-exempt employee (paid hourly rate) who works in excess of his/her regular schedule up to 40 hours in a work week shall be compensated at his/her regular hourly rate for the excess work time.

For example, Sarah works 45 hours per week as an administrative assistant at \$12.00 per hour. The office had a deadline to meet and she worked 45 hours. This is five (5) hours more than she is regularly scheduled.

1. Calculate budgeted regular schedule 40 hours at regular rate:

- $40 \times \$12.00 = \$480.00$

2. Determine overtime premium rate:

- $\$12.00 \times 1.5 = \$18.00$

4. Apply premium rate to hours over 40 per week:

- $5 \times \$18.00 = \$90.00$

5. Total gross wages owed:

- $\$480.00 + \$90.00 = \$570.00$

**Overtime computation formula for same work on multiple shifts:**

For employees who do the same work on multiple shifts and each shift has a different straight-time rate, the College will calculate the regular rate to use as the basis for overtime pay for that work week. All the earnings from the different rates will be added together, then dividing this total by the total number of work time hours.

Example:

1. Calculate each shift or hour time category separately:

- 10 actual worked hours 1st shift at \$12.24 = \$122.40
- 12 actual worked hours 2nd shift at \$12.49 = \$149.88
- 20 actual worked hours 3rd shift at \$13.59 = \$271.80

Total Pay for pay period	\$544.08
Total counted hours for pay period	42

2. Divide Total dollars by total work time to determine the regular rate:

- $\$544.08 \div 42 = \$12.95$

3. Determine overtime premium rate

- $\$12.95 \times .5 = \$6.48$

4. Apply premium rate to hours over 40 per week:

- $2 \times \$6.48 = \$12.96$

5. Total gross wages owed:

- $\$544.08 + \$12.96 = \$557.04$

### **Overtime computation formula for different jobs with different rates:**

For employees who work two different jobs with two different rates of pay, the College will calculate the regular rate for use as the basis for overtime by adding all the earnings from all the rates together then dividing this total by the total number of work time hours.

For example, Dave works 35 hours per week as housekeeper at \$12.24 per hour; he also works as a lifeguard several nights per week at \$12.00 per hour. During the week, Dave put in 10 hours as a lifeguard bringing his total work time to 45 hours or five (5) hours of overtime. Total pay, including overtime, is calculated as follows:

1. Calculate each job separately, and then combine:

- 35 hours @ \$12.24 per hour = \$428.40
- 10 hours @ \$12.00 per hour = \$120.00
- Total: \$548.40

2. Divide total dollars by total work time to determine regular rate:

- $\$548.40 \div 45 = \$12.19$

3. Determine overtime premium (50 percent):

- $\$12.19 \times .5 = \$6.10$

4. Apply premium rate to overtime hours:

- $5 \text{ hours} \times \$6.10 = \$30.50$

5. Total gross wages owed:

- $\$548.40 + \$30.50 = \$578.90$

