USE OF RATE-IN-EFFECT

A department may choose to calculate overtime pay for their employees using the Rate-in-Effect method provided all of the following conditions listed below are met. Under the Rate-in-Effect method of calculating overtime, overtime pay is calculated based on the hourly rate that is in effect when overtime is worked.

1. The employee is working multiple jobs at the University that are identifiably different from one another involving different kinds of work.
2. The employee has agreed to be paid different rates of pay for each of the jobs.
3. There is a written agreement regarding the rate-in-effect overtime payment between the employee and the department before the work is performed in the job where the rate-in-effect applies.
4. The department has consulted with its divisional HR office and has obtained prior approval to use the Rate-in-Effect method for paying overtime work.

SUBMITTING OVERTIME PAYMENT IN SAP

1. Example 1: Assume the employee is non-exempt under FLSA and works 40 hours per week.

   Primary Job - Regular hourly rate: $ 10.00 per hour
   Second Job - Regular Rate-in-Effect: $ 25.00 per hour

   Overtime hours worked in primary job using premium rate: 2 hours @ $ 15.00 per hour
   Overtime hours worked in second job using rate in effect X 1.5: 5 hours @ $ 37.50 per hour

   Total Overtime Pay: $ 217.50

See screen shot below:
Example 2: Assume the employee is non-exempt under FLSA and works 37.5 hours per week. Prior to June 29, 2009, hours for which a non-exempt employee is paid but not actually worked (i.e., vacation and holiday) are counted in establishing the # of hours worked in the workweek for OT pay calculation. Effective June 29, 2009, only hours actually worked will be used in calculating OT pay.

Primary Job - Regular hourly rate: $ 10.00 per hour
Secondary Job - Regular Rate-in-Effect: $ 25.00 per hour

Overtime hours worked in primary job using regular rate: 1 hour @ $ 10.00 per hour
Overtime hours worked in secondary job using rate in effect: 1.5 hours @ $ 25.00 per hour
Overtime hours worked in secondary job using rate in effect X 1.5: 3.0 hours at 37.50 per hour

Total Overtime Pay: $ 160.00

See screen shots below:

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