USE OF RATE-IN-EFFECT

A department may choose to calculate overtime pay for their employees using the Rate-in-Effect method provided <u>all</u> 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

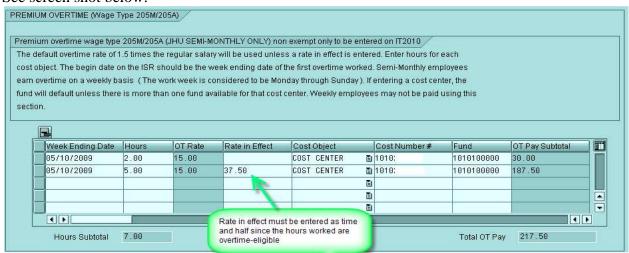
1. Example 1: Assume the employee is non-exempt under FLSA and works 40 hours per week.

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:



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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 Second 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 second job using rate in effect: 1.5 hours @ \$ 25.00 per hour 3.0 hours at 37.50 per hour

Total Overtime Pay: \$ 160.00

See screen shots below:

