

### 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:

PREMIUM OVERTIME (Wage Type 205M/205A)

Premium overtime wage type 205M/205A (JHU SEMI-MONTHLY ONLY) non exempt only to be entered on IT2010

The default overtime rate of 1.5 times the regular salary will be used unless a rate in effect is entered. Enter hours for each cost object. The begin date on the ISR should be the week ending date of the first overtime worked. Semi-Monthly employees earn overtime on a weekly basis (The work week is considered to be Monday through Sunday). If entering a cost center, the fund will default unless there is more than one fund available for that cost center. Weekly employees may not be paid using this section.

Week Ending Date	Hours	OT Rate	Rate in Effect	Cost Object	Cost Number #	Fund	OT Pay Subtotal
05/10/2009	2.00	15.00		COST CENTER	1010:	1010100000	30.00
05/10/2009	5.00	15.00	37.50	COST CENTER	1010:	1010100000	187.50

Hours Subtotal: 7.00      Total OT Pay: 217.50

Rate in effect must be entered as time and half since the hours worked are overtime-eligible

**Last Revised – 5/13/2009**

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  
 Overtime hours worked in second 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:

STANDARD OVERTIME (Wage Type 2084)

Standard overtime wage type 2084 (JHU SEMI-MONTHLY ONLY) non exempt only to be entered on IT2010

Enter hours for each object. The begin date on the ISR should be the week ending date of the first overtime worked. Semi-monthly employees earn overtime on a weekly basis ( The work week is considered to be Monday through Sunday ). If entering a cost center, the fund will default after you complete the form and hit enter unless there is more than one fund available for that cost center. Weekly Employees may not be paid using this section.

Week Ending Date	Hours	Cost Object	Cost Number #	Fund	OT Pay Subtotal
05/10/2009	1.00	COST CENTER	1010	1010100000	10.00

Overtime worked in primary job at the regular rate of pay.

Hours Subtotal: 1.00      Total OT Pay: 10.00

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Premium overtime wage type 205M/205A (JHU SEMI-MONTHLY ONLY) non exempt only to be entered on IT2010

The default overtime rate of 1.5 times the regular salary will be used unless a rate in effect is entered. Enter hours for each cost object. The begin date on the ISR should be the week ending date of the first overtime worked. Semi-Monthly employees earn overtime on a weekly basis ( The work week is considered to be Monday through Sunday ). If entering a cost center, the fund will default unless there is more than one fund available for that cost center. Weekly employees may not be paid using this section.

Week Ending Date	Hours	OT Rate	Rate in Effect	Cost Object	Cost Number #	Fund	OT Pay Subtotal
05/10/2009	1.50	15.00	25.00	COST CENTER	1010	1010100000	37.50
05/10/2009	3.00	15.00	37.50	COST CENTER	1010	1010100000	112.50

Both regular rate in effect and premium rate in effect are entered in the premium overtime section. Each line of distribution must represent a different rate of pay.

Hours Subtotal: 4.50      Total OT Pay: 150.00