

Formula for Calculating Overtime for Temporary Workers When There Are Multiple Rates

Temporary Workers include:

1. Student Workers
2. Federal Work Study Students
3. All Temps (including Union)
4. Staff Regional Temps (including Union)
5. Standardized Patients

Temporary workers sometimes work multiple Jobs at multiple pay rates. While overtime is not encouraged, it does sometimes occur. Because of this, the University needs a methodology for calculating overtime pay when multiple pay rates are present in a week when overtime is worked. Department of Labor documentation indicates that a Weighted Average methodology can be used to calculate the premium portion of overtime pay when this situation occurs.

Weighted Average Overtime Calculation in Pitt Worx

Under this approach, overtime will be paid using two elements. The first will pay the straight (1x) portion of an overtime hour based on the rate the person is paid for the job they are doing (the rate of the task). The second element will pay the premium portion of the overtime hour and will use a Weighted Average pay rate. This approach will be used even when only one rate is present during a week.

In Pitt Worx, each Job a temporary worker works is referred to as a 'Task'.

This formula is used to calculate the premium portion of the overtime pay rate.

1. Calculate the weekly pay amount for each task by multiplying the total hours worked on that task during the week by the task pay rate.
2. Add all of the task totals from #1 together to get the total pay for the week
3. Divide #2 by the Total # of Hours worked for the week to get the Weighted Average
4. Divide #3 by 2 to get the weighted average pay rate for the premium portion of the overtime hour.

Single Rate in a Week

Example 1 – Employee works 52 hours during the week at a single task that pays \$10 per hour.

Calculated Weighted Average Premium Rate:

Step	Instructions	Example
1	Calculate the weekly pay amount for each task by multiplying the total hours worked on that task during the week by the task pay rate.	52 hours x \$10.00 = \$520
2	Add all of the task totals from #1 together to get the total pay for the week	\$520
3	Divide #2 by the Total # of Hours worked for the week to get the Weighted Average	\$520.00 / 52 = \$10.00
4	Divide #3 by 2 to get the weighted average pay rate for the premium portion of the overtime hour	\$10.00 / 2 = \$5.00
5	Weighted Average Rate for the premium portion of the overtime	\$5.00

Calculate Pay:

1. Regular Time: 37.5 * \$10.00 = \$375.00
2. Straight Time: 2.5 * \$10.00 = \$25.00
3. Overtime Straight: 12.0 * \$10.00 = \$120.00
4. Overtime Premium: 12.0 * \$ 5.00 = \$60.00
5. Total: \$580.00

Multiple Rates in a Week

When multiple rates are present, the calculation of pay depends on when during the week each task is worked. However, the total pay for the week will be the same as illustrated in the following 2 examples.

Example 2 – Employee works two jobs at different rates of pay for a total of 52 hours during the week

Employee works 52 hours during the week. She works 44 hours at \$10.00 an hour and she also works 8 hours at \$8 in a different department, resulting in 52 total hours worked during the workweek.

Calculated Weighted Average Premium Rate:

Step	Instructions	Example
1	Calculate the weekly pay amount for each task by multiplying the total hours worked on that task during the week by the task pay rate.	44 hours * \$10 = \$440.00 + 8 * \$8 = \$64.00
2	Add all of the task totals from #1 together to get the total pay for the week	\$440.00 + \$64.00 = \$504.00
3	Divide #2 by the Total # of Hours worked for the week to get the Weighted Average	\$504.00 / 52 = \$9.69
4	Divide #3 by 2 to get the weighted average pay rate for the premium portion of the overtime hour	\$9.69 / 2 = \$4.85
5	Weighted Average Rate for the premium portion of the overtime	\$4.85

Calculate Pay:

1. Regular Time: 8.0 * \$8.00 = \$64.00
2. Regular Time: 29.5 * \$10.00 = \$295.00
3. Straight Time: 2.5 * \$10.00 = \$25.00
4. Overtime Straight: 12.0 * \$10.00 = \$120.00
5. Overtime Premium: 12.0 * \$4.85 = \$58.20
6. Total: \$562.20

Example 3 – Employee works the same number of hours at the same rates as in Example #2, however, the hours for the \$8.00 job are worked at the end of the week instead of the beginning.

Employee works 52 hours during the week. She works 44 hours at \$10.00 an hour and she also works 8 hours at \$8 in a different department, resulting in 52 total hours worked during the workweek.

Calculated Weighted Average Premium Rate:

Step	Instructions	Example
1	Calculate the weekly pay amount for each task by multiplying the total hours worked on that task during the week by the task pay rate.	44 hours * \$10 = \$440.00 + 8 * \$8 = \$64.00
2	Add all of the task totals from #1 together to get the total pay for the week	\$440.00 + \$64.00 = \$504.00
3	Divide #2 by the Total # of Hours worked for the week to get the Weighted Average	\$504.00 / 52 = \$9.69
4	Divide #3 by 2 to get the weighted average pay rate for the premium portion of the overtime hour	\$9.69 / 2 = \$4.85
5	Weighted Average Rate for the premium portion of the overtime	\$4.85

Calculate Pay:

1. Regular Time: 37.5 * \$10.00 = \$375.00
2. Straight Time: 2.5 * \$10.00 = \$25.00
3. Overtime Straight: 8.0 * \$8.00 = \$64.00
4. Overtime Straight: 4.0 * \$10.00 = \$40.00
5. Overtime Premium: 8.0 * \$4.85 = \$38.80
6. Overtime Premium: 4.0 * \$4.85 = \$19.40
7. Total: \$562.20