

Calculating Overtime

1. Andy works as a waiter at the new restaurant, Dew Drop Inn, for an hourly rate of \$14.50. Andy works every day, from Monday to Friday. He usually works 8 hours per day, but on Thursday and Friday of last week, he worked 12 hours each day. What was Andy's gross pay last week?

Day	Monday	Tuesday	Wednesday	Thursday	Friday	Total
Regular Hours	8	8	8	8	8	40
OT Hours				4	4	8

Step 1: Overtime rules

No specific overtime rules given, so all hours over 8 each day will be overtime paid at 1.5 times the regular hourly rate of pay.

Step 2: Regular pay

A total of 40 hour will be paid at the rate of \$14.50 per hour

$$\begin{aligned}\text{regular pay} &= \$14.50/\text{hour} \times 4 \text{ hours} \\ &= \$580.00\end{aligned}$$

Step 3: Overtime rate of pay

$$\begin{aligned}\text{Overtime rate of pay} &= \$14.50/\text{hour} \times 1.5 \\ &= \$21.75/\text{hour}\end{aligned}$$

Step 4: Number of overtime hours

$$\begin{aligned}\text{Overtime hours} &= 48 - 40 \\ &= 8 \text{ hours}\end{aligned}$$

Step 5: Overtime pay

$$\begin{aligned}\text{overtime pay} &= \$21.75/\text{hour} \times 8 \text{ hours} \\ &= \$174.00\end{aligned}$$

Step 6: Gross Pay

$$\begin{aligned}\text{gross pay} &= \$580.00 + \$174.00 \\ &= \$754.00\end{aligned}$$

Last week, Andy's gross pay was \$754.00.

2. Marilyn works for a company that pays double time for statutory (stat) holidays. She worked 9 hours every day last week from Monday to Friday, and Monday was a stat holiday. Marilyn is paid \$15.00/hour. How much money did Marilyn make last week?

Step 1: Overtime rules

Overtime pay is double time. This means her regular hourly rate of pay will be multiplied by 2. No other rules were given.

Step 2: Regular pay

hours = 32 (Marilyn worked Tuesday to Friday: 4 days \times 8 hours/day.)

**As Monday was a Stat holiday hours worked that day are not counted as regular hours.*

A total of 32 hours will be paid at the rate of \$15.00 per hour.

$$\begin{aligned}\text{regular pay} &= \$15.00/\text{hour} \times 32 \text{ hours} \\ &= \$480.00\end{aligned}$$

Step 3: Overtime rate of pay

$$\begin{aligned}\text{overtime rate of pay} &= \$15.00/\text{hour} \times 2 \\ &= \$30.00/\text{hour}\end{aligned}$$

Step 4: Number of overtime hours

overtime hours = one hour for each day (Tuesday to Friday) + 9 hours for Monday

$$\begin{aligned}&= 4 \text{ hours} + 9 \text{ hours} \\ &= 13 \text{ hours}\end{aligned}$$

Step 5: Overtime pay

$$\begin{aligned}\text{overtime pay} &= \$30.00/\text{hour} \times 13 \text{ hours} \\ &= \$390.00\end{aligned}$$

Step 6: Gross Pay

$$\begin{aligned}\text{gross pay} &= \$480.00 + \$390.00 \\ &= \$870.00\end{aligned}$$

Marilyn earned \$870.00 for the week of work.