**501-03c Computing FLSA Overtime on Premium Pay**

The Fair Labor Standards Act (FLSA) requires that certain types of employee compensation (premium pay) must be included in the calculation of overtime compensation.  This additional compensation (earn code OTD) applies to FLSA overtime, which is time **actually worked** in excess of 40 hours per work week.

|  |  |
| --- | --- |
| Commonly Applicable Earn Codes | |
| DCO | Confined Space Differential |
| DDV | Diving Differential |
| DEL | Electrician Differential |
| DHM | High Work Differential |
| DNL | Nucr. React. Lic. Differential |
| DPP | Prior Month Differential |
| DSH | Shift Differential |
| DSO | Sea Pay Crew Differential |
| PSB | On Call Pay |

Please contact Payroll if you have questions on overtime for other types of pay, such as Work-Out-of-Class Pay (DWC), multiple pay rates, or piece work.

**501-03c(1) Computation Method**

Two alternatives are available for calculating additional overtime on premium pay:  formula or coefficient table.  **Use of the coefficient table (prepared by U.S. Department of Labor) is recommended.**

Example Using the Coefficient Table:

An employee who works 42.5 hours in one work week may have additional overtime on premium pay. Overtime on premium pay can be calculated by multiplying the premium pay amount by the coefficient found on the coefficient table.  In this case you would multiply the premium pay by the coefficient .029, which can be found row labeled 42 FLSA Hours and under column 0.50.  Additional overtime compensation should be entered in PYAHOUR using earn code OTD.

Earn Code   Units    Special Rate  
OTD             1      Amount Owed

[Click here](http://oregonstate.edu/dept/budgets/PAYManual/PAY-Ex3.htm) to see the complete coefficient table. [Click here](http://oregonstate.edu/dept/budgets/PAYManual/PAY-Ex3.htm#ex) to see examples.

Using the Formula Method:

The formula below may be used to determine the amount of additional overtime on premium pay:  **Overtime for each work week must be calculated separately**.

Total Premium Pay Earnings X FLSA Overtime Hours Worked = Rate for FLSA Overtime Premium Pay  
Total # of Hours Worked                    2

Example #1:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Day** | **Sunday** | **Monday** | **Tuesday** | **Wednesday** | **Thursday** | **Friday** | **Saturday** |
| **REG** |  | 8 | 8 | 8 | 8 | 8 |  |
| **OTM** |  | 1.75 |  |  |  |  | 11 |
| **DSH** |  | .75 |  |  |  |  | 11 |

This employee has worked a total of 52.75 hrs in a week and 11.75 hrs of shift differential.  (Note: premium pay earnings in this example is 11.75 X .75 = $8.81).

|  |  |
| --- | --- |
| Formula: 8.81   X 12.75 = $1.06  52.75       2 | OTD would be entered as OTD 1 @ 1.06 |

Table:

Go to 52.75 on the table.  The coefficient to use is .121, and multiplies by premium pay earnings during overtime. (8.81 X .121 = 1.06)

Example #2:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Day** | **Sunday** | **Monday** | **Tuesday** | **Wednesday** | **Thursday** | **Friday** | **Saturday** |
| **REG** |  | 8 | 8 | 8 | 8 | 8 |  |
| **OTM** |  | 2 | 2 | 2 | 2 | .5 | 2 |
| **DSH** |  | 1 | 1 | 1 | 1 |  | 2 |

This employee has worked a total of 50.5 hrs this week and 6 hrs of shift differential.  (Note: premium pay earnings in this example is 6 X .75 = $4.50).

|  |  |
| --- | --- |
| Formula: 4.50   X 10.5 = $.47  50.5       2 | OTD would be entered as OTD 1 @ .47 |

Table:

Go to 50.5 on the table. The coefficient to use is .104, and multiplies by the premium pay earnings during overtime. (4.50 X .104 = .47).

## Coefficient Table for Computing FLSA Overtime on Premium Pay

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Column one lists the total number of hours worked. Column two shows the coefficients for each of the whole numbers in the first column. Other columns show the coefficient for fraction of hours (40.25, 40.75, etc.), column headings show these fractions. | | | | | | | | | | | | |
| FLSA Hours | even | 00.25 | 00.50 | 00.75 | 00.10 | 00.20 | 00.30 | 00.40 | 00.60 | 00.70 | 00.80 | 00.90 |
| 40 | 0.000 | 0.003 | 0.006 | 0.009 | 0.0012 | 0.0025 | 0.0037 | 0.0050 | 0.0074 | 0.0086 | 0.0098 | 0.0110 |
| 41 | 0.012 | 0.015 | 0.018 | 0.021 | 0.0134 | 0.0146 | 0.0157 | 0.0169 | 0.0192 | 0.0204 | 0.0215 | 0.0227 |
| 42 | 0.024 | 0.027 | 0.029 | 0.032 | 0.0249 | 0.0261 | 0.0272 | 0.0283 | 0.0305 | 0.0316 | 0.0327 | 0.0338 |
| 43 | 0.035 | 0.038 | 0.040 | 0.043 | 0.0360 | 0.0370 | 0.0381 | 0.0392 | 0.0413 | 0.0423 | 0.0434 | 0.0444 |
| 44 | 0.045 | 0.048 | 0.051 | 0.053 | 0.0465 | 0.0475 | 0.0485 | 0.0495 | 0.0516 | 0.0526 | 0.0536 | 0.0546 |
| 45 | 0.056 | 0.058 | 0.060 | 0.063 | 0.0565 | 0.0575 | 0.0585 | 0.0595 | 0.0614 | 0.0624 | 0.0633 | 0.0642 |
| 46 | 0.065 | 0.068 | 0.070 | 0.072 | 0.0662 | 0.0671 | 0.0680 | 0.0690 | 0.0708 | 0.0717 | 0.0726 | 0.0736 |
| 47 | 0.074 | 0.077 | 0.079 | 0.081 | 0.0754 | 0.0763 | 0.0772 | 0.0781 | 0.0798 | 0.0807 | 0.0816 | 0.0825 |
| 48 | 0.083 | 0.085 | 0.088 | 0.090 | 0.0842 | 0.0851 | 0.0859 | 0.0868 | 0.0885 | 0.0893 | 0.0902 | 0.0910 |
| 49 | 0.092 | 0.094 | 0.096 | 0.098 | 0.0927 | 0.0935 | 0.0943 | 0.0951 | 0.0968 | 0.0976 | 0.0984 | 0.0992 |
| 50 | 0.100 | 0.102 | 0.104 | 0.106 | 0.1008 | 0.1016 | 0.1024 | 0.1032 | 0.1047 | 0.1055 | 0.1063 | 0.1071 |
| 51 | 0.108 | 0.110 | 0.112 | 0.114 | 0.1086 | 0.1094 | 0.1101 | 0.1109 | 0.1124 | 0.1132 | 0.1139 | 0.1146 |
| 52 | 0.115 | 0.117 | 0.119 | 0.121 | 0.1161 | 0.119 | 0.1176 | 0.1183 | 0.1198 | 0.1205 | 0.1212 | 0.1219 |
| 53 | 0.123 | 0.124 | 0.126 | 0.128 | 0.1234 | 0.1241 | 0.1248 | 0.1255 | 0.1269 | 0.1276 | 0.1283 | 0.1289 |
| 54 | 0.130 | 0.131 | 0.133 | 0.135 | 0.1303 | 0.1310 | 0.1317 | 0.1324 | 0.1337 | 0.1344 | 0.1350 | 0.1357 |
| 55 | 0.136 | 0.138 | 0.140 | 0.141 | 0.1370 | 0.1377 | 0.1383 | 0.1390 | 0.1403 | 0.1409 | 0.1416 | 0.1422 |
| 56 | 0.143 | 0.144 | 0.146 | 0.148 | 0.1435 | 0.1441 | 0.1448 | 0.1454 | 0.1466 | 0.1473 | 0.1479 | 0.1485 |
| 57 | 0.149 | 0.151 | 0.152 | 0.154 | 0.1497 | 0.1503 | 0.1510 | 0.1516 | 0.1528 | 0.1534 | 0.1540 | 0.1546 |
| 58 | 0.155 | 0.157 | 0.158 | 0.160 | 0.1558 | 0.1564 | 0.1569 | 0.1575 | 0.1587 | 0.1593 | 0.1599 | 0.1604 |
| 59 | 0.161 | 0.162 | 0.164 | 0.165 | 0.1616 | 0.1622 | 0.1627 | 0.1633 | 0.1644 | 0.1650 | 0.1656 | 0.1661 |
| 60 | 0.167 | 0.168 | 0.169 | 0.171 | 0.1672 | 0.1678 | 0.1683 | 0.1689 | 0.1700 | 0.1705 | 0.1711 | 0.1716 |
| 61 | 0.172 | 0.173 | 0.175 | 0.176 | 0.1727 | 0.1732 | 0.1737 | 0.1743 | 0.1753 | 0.1759 | 0.1764 | 0.1769 |
| 62 | 0.177 | 0.179 | 0.180 | 0.181 | 0.1779 | 0.1785 | 0.1790 | 0.1795 | 0.1805 | 0.1810 | 0.1815 | 0.1820 |
| 63 | 0.183 | 0.184 | 0.185 | 0.186 | 0.1830 | 0.1835 | 0.1840 | 0.1845 | 0.1855 | 0.1860 | 0.1865 | 0.1870 |
| 64 | 0.188 | 0.189 | 0.190 | 0.191 | 0.1881 | 0.1885 | 0.1890 | 0.1894 | 0.1904 | 0.1909 | 0.1914 | 0.1918 |
| 65 | 0.192 | 0.193 | 0.195 | 0.196 | 0.1928 | 0.1933 | 0.1937 | 0.1942 | 0.1951 | 0.1956 | 0.1960 | 0.1965 |
| 66 | 0.197 | 0.198 | 0.199 | 0.200 | 0.1974 | 0.1979 | 0.1983 | 0.1988 | 0.997 | 0.2001 | 0.2006 | 0.2010 |
| 67 | 0.201 | 0.203 | 0.204 | 0.205 | 0.2019 | 0.2024 | 0.2028 | 0.2033 | 0.2041 | 0.2046 | 0.2050 | 0.2054 |
| 68 | 0.206 | 0.207 | 0.208 | 0.209 | 0.2063 | 0.2067 | 0.2072 | 0.2076 | 0.2085 | 0.2089 | 0.2093 | 0.2097 |
| 69 | 0.210 | 0.211 | 0.212 | 0.213 | 0.2106 | 0.2110 | 0.2114 | 0.2118 | 0.2126 | 0.2131 | 0.2135 | 0.2139 |
| 70 | 0.214 | 0.215 | 0.216 | 0.217 | 0.2147 | 0.2151 | 0.2155 | 0.2159 | 0.2167 | 0.2171 | 0.2175 | 0.2179 |