

Hourly Rate and Overtime Rate



Hourly Rate:

The most common way people are paid for work is by an **hourly rate**. Workers are paid for each hour they work.



Example 1

Alison has a job with the city maintenance crew. She is paid an hourly rate of **\$18.50**, and usually works **8 hours a day, 5 days a week**.

Question	How to calculate this	Calculations
a) What does Alison get paid for 1 day?	Regular hourly rate × hours worked	
b) What does Alison get paid for 5 days?	Daily rate × # of days	



Example 2

Murry is paid **\$13.15 an hour** working at a fast food restaurant. How much would his gross pay be if he works **37.5 hours**?



Example 3

Faisel is paid **\$14 an hour** working at a sports store. He is paid every two weeks. If he works **35 hours** one week, and **30 hours** the next week, how much is his gross pay?

Question	How to calculate this	Calculations
a) How much does Faisel earn during week #1?	Regular hourly rate × hours worked	
b) How much does Faisel earn during week #2?	Regular hourly rate × hours worked	
c) How much in total does Faisel earn?	Earnings Week #1 + Earnings Week #2	

Hourly Rate + Overtime:

When working more than 44 hours a week, *Ontario's Employment Standards Act* states that most workers are entitled to be paid **overtime** for the extra hours. The **overtime rate** must be at least “time and a half”, or, 1.5 times the regular hourly rate.



Example 4

Roberto's hourly rate is **\$6.50**. He works **40 hours** a week, and his employer pays overtime for over 40 hours. His overtime rate is time and a half.

If he works 5 hours overtime in a week, how much will he earn?

Step	How to calculate this	Actual Dollar Amount (\$)
1. Find his regular pay	Regular hourly rate × hours worked	
2. Find his overtime rate	Regular hourly rate × 1.5	
3. Find his overtime pay	Overtime rate × # of overtime hours	
4. Find his total pay	Regular earnings + Overtime earnings	



Example 5

Dino is paid \$10.50 per hour for 40 hours of work per week. If he works more than 40 hours, he is paid time and a half. His friend Len has a different job. Len is paid \$10.25 per hour for 37.5 hours a week. If Len works more than 37.5 hours a week, he is paid time and a half. If they both work for 45 hours one week, who is paid more?

Step	How to calculate this	Actual Dollar Amount (\$) Dino	Actual Dollar Amount (\$) Len
1. Find his regular pay	Regular hourly rate × hours worked		
2. Find his overtime rate	Regular hourly rate × 1.5		
3. Find his overtime pay	Overtime rate × # of overtime hours		
4. Find his total pay	Regular earnings + Overtime earnings		

This means that _____ earns more money.

Practice Questions:

1.
 - a. What does “time and a half” and “double time” mean?

 - b. Why would workers be paid time and a half for overtime?

2. Pierre works full time and is paid an hourly rate of **\$12.20** for **35 hours** per week. He is paid for **52 weeks** of the year. What are his earnings for a 1 year period?

Question	How to calculate this	Calculations
a) Find his weekly pay	Regular hourly rate × hours worked	
b) Find his earnings for 52 weeks	Weekly Pay × 52 weeks in a year	

3. Jim stocks shelves at a grocery store. He earns **\$6.80 per hour** for **37.5 hours** each week. One week, a large shipment arrives late and Jim is asked to work overtime at **1.5 times** his regular rate. If he works **4.5 hours overtime**, what are his earnings for the week?

Step	How to calculate this	Actual Dollar Amount (\$)
1. Find his regular pay	Regular hourly rate × hours worked	
2. Find his overtime rate	Regular hourly rate × 1.5	
3. Find his overtime pay	Overtime rate × # of overtime hours	
4. Find his total pay	Regular earnings + Overtime earnings	

4. Toytime pays employees **\$14.25 per hour**. They pay overtime for more than **40 hours** per week, at a rate of time and a half. If you work more than **55 hours**, you are paid double time. Find the pay for the following hours worked in a week.
- 35 hours (no overtime)
 - 45 hours (40 regular hours + 5 overtime hours)
 - 65 hours (40 regular hours + 15 overtime hours + 10 double time hours)
5. Anita earns an annual salary of **\$36 000**. Her brother Andrew earns **\$18.25 per hour**, and works **35 hours** a week for **52 weeks** a year.
- How much more does Anita make than Andrew a year?