# 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

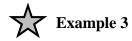
Alison has a job with the city maintenance crew. She is paid an hourly rate of \$18.50, and usually works 8 hours a day, 5 days a week.

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**?



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.

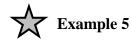


## Example 4

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 $\times$ # of overtime hours	
4. Find his total pay	Regular earnings + Overtime earnings	



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	aarna mara manati
Inis means that	earns more money

### **Practice Questions:**

- 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 $\times$ 1.5	
3. Find his overtime pay	Overtime rate $\times$ # 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.  a. 35 hours (no overtime)
	b. 45 hours (40 regular hours + 5 overtime hours)
	c. 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.  a. How much more does Anita make than Andrew a year?