

CTR Quick Guide

Manual Calculation of the FLSA Overtime Premium

Please note: it is never guaranteed that a manual calculation will match, exactly, the computerized calculation because of rounding and other differences.

Step	What is included	Amount	Notes
1	All dollars paid from earnings eligible under FLSA		These will include any dollars paid that are associated with actual physical work and will not include items excluded from the FLSA like Holiday, Vacation, Sick, etc. They will include any premiums paid and any rate differences.
2	Total hours actually physically worked by employee		Same as above but will not include any hours used to calculate premiums, etc., since those hours are already recorded under a physical work earnings code.
3	Divide dollars in 1 by hours in 2 for Average Rate		This determines the average rate per hour
4	Multiply Average Rate in 3 by 0.5 for Hourly Premium		This is the half-time premium that would be used to determine total overtime pay but is the only amount eligible for the tax deduction.
5	Actual eligible overtime hours for the week		These are the actual physical hours work that exceed the FLSA limit of 40 in a work week for most employees.
6	Multiply Hourly Premium in 4 by hours in 5 for total Premium amount for the week		This is the amount that will be accumulated for the FLSA Overtime Premium to be reported at year end.



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