Add Pay Overtime Calculation

Name	Bonus Amt.	# of weeks	PPED	Weekly Equiv.	Bi-weekly Equiv.	Reg. Hrs.	Total Hrs.	Incr. in Reg. Rate	Incr. in OT Rate	OT Hrs.	Incr. in Bonus
John Doe	2000	26	BW160709	76.92307692	153.8461538	80	100	1.538461538	0.769230769	20	15.38
John Doe	2000	26	BW160723	76.92307692	153.8461538	80	85	1.809954751	0.904977376	5	4.52
John Doe	2000	26	BW160806	76.92307692	153.8461538	80	87.5	1.758241758	0.879120879	7.5	6.59
John Doe	2000	26	BW160820	76.92307692	153.8461538	80	82.5	1.864801865	0.932400932	2.5	2.33
John Doe	2000	26	BW160903	76.92307692	153.8461538	80	86	1.788908766	0.894454383	6	5.37
John Doe	2000	26	BW160917	76.92307692	153.8461538	80	92.5	1.663201663	0.831600832	12.5	10.40
John Doe	2000	26	BW161001	76.92307692	153.8461538	80	94	1.636661211	0.818330606	14	11.46
John Doe	2000	26	BW161015	76.92307692	153.8461538	80	102	1.508295626	0.754147813	22	16.59
John Doe	2000	26	BW161029	76.92307692	153.8461538	80	81.25	1.893491124	0.946745562	1.25	1.18
John Doe	2000	26	BW161112	76.92307692	153.8461538	80	83.75	1.836969001	0.918484501	3.75	3.44
John Doe	2000	26	BW161126	76.92307692	153.8461538	80	85	1.809954751	0.904977376	5	4.52
John Doe	2000	26	BW161210	76.92307692	153.8461538	80	88	1.748251748	0.874125874	8	6.99
John Doe	2000	26	BW161224	76.92307692	153.8461538	80	81	1.899335233	0.949667616	1	0.95
Empl Name	Total Bonus Amt	Total # of Wks the bonus is supposed to cover	Pay Period End Date			Total Hrs in Period	1148.5			OT Hrs in Period	89.74

TOTAL ADD PAY = $2,000 + 89.74 = $2,089.74

Bonuses For purposes of calculating overtime pay, section 7(e) of the FLSA provides that non-discretionary bonuses must be included in the regular rate of pay. Non-discretionary bonuses include those that are announced to employees to encourage them to work more steadily, rapidly or efficiently, and bonuses designed to encourage employees to remain with a facility. Few bonuses are discretionary under the FLSA, allowing exclusion from the regular rate (see 29 CFR 778.200 and 778.208). Referral bonuses paid for recruitment of new employees are not included in the regular rate of pay if all of the following conditions are met: (1) participation is strictly voluntary; (2) recruitment efforts do not involve significant time; and (3) the activity is limited to after-hours solicitation done only among friends, relatives, neighbors and acquaintances as part of the employees' social affairs.

In an effort to attract more nursing personnel, a skilled nursing facility's nursing department gives hourly paid LPNs and RNs a $2,000 bonus after being employed six months. Does this bonus have to be included in the regular rate? If so, how does it need to be calculated? Yes. The retention bonus must be included in the regular rate calculation in overtime weeks covered by the bonus period. The retention bonus described above was earned over six months or 26 weeks. The weekly equivalent is $76.92 ($2,000 ÷ 26 weeks). If an employee works overtime during the 26 week period, the increase in the regular rate is calculated by dividing $76.92 by the total hours worked during the overtime week.

In the following calculation, the $2,000 retention bonus was earned over six months or 26 weeks, for a weekly equivalent of $76.92 ($2000 ÷ 26 weeks).
If the employee worked ten hours of overtime in their 9th week of employment, the employee would be due an additional $7.70 in overtime earning as follows:

$76.92 ÷ 50 hours = $1.54 (increase in the regular rate)
$1.54 x ½ = $ .77 (increase in the additional half-time premium)
$ .77 x 10 hours of overtime worked = $7.70 (increase in overtime earnings due to the bonus)