

# Prevailing Wage Compliance 2021

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**Overtime**  
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## Application of Overtime

- Time and one half (or premium pay) must be paid for all hours worked after 40 hours.
- Fringe benefits must be paid for **ALL** hours worked on the site of work, including the overtime hours.
- Overtime is calculated using the half time premium on the “base rate” only.  
**Fringe benefits amount whether paid in hourly wages or in bona fide benefits are not included in the half time premium.**
- In general, with few exceptions, overtime should not be computed on any amount less than the published base hourly rate.

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## Overtime and Fringe Benefits

- When computing overtime wages, the total wages paid must meet or exceed the combination stated in the contract: (Wage Decision)

$$(\$22.00 \times 1.5) + \$8.00 = \$41.00$$

- Regardless of what combination of fringes and hourly rate is used

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## Overtime Examples

**The published hourly rate is \$22.00, the fringe is \$8.00, and employee worked 44 hours.**

The employer does not offer any benefits. The \$8.00 in fringes is paid as hourly wages. The worker would be due on his check (and shown on certified payroll):

$$\begin{array}{l} 44 \text{ hrs.} \times \$30 = \$1,320 \text{ (straight time pay)} \\ 4 \text{ hrs.} \times 1/2 (\$22) = \$ 44 \text{ (overtime premium)} \end{array}$$

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**\$1,364**

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**The published hourly rate is \$22.00, the fringe is \$8.00, and employee worked 44 hours.**

The employer contributes \$8.00 per hour into the workers 401k plan to meet the fringe benefits requirement. The worker would be due on his check (and shown on certified payroll):

44 hrs. x \$22 = \$ 968 (straight time pay)

4 hrs. x ½ (\$22) = \$ 44 (overtime premium)

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\$1,012

\*Note: In addition, the worker would be due \$352 (44 x \$8) in the workers 401k account. Note the total is the same in all examples (\$1,012 + \$352 = **\$1,364**)

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**The published hourly rate is \$22.00, the FB is \$8.00, and employee worked 44 hours.**

The employer contributes \$4.00 per hour into a 401k plan and pays \$26.00 per hour to the worker. The worker would be due on his/her check (and shown on certified payroll):

44 hrs. x \$26 = \$1,144 (straight time pay)

4 hrs. x ½ (\$22) = \$ 44 (overtime premium)

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\$1,188

\*Note: In addition, the worker would be due \$176 (44 x \$4) in the workers 401k account. Note the total is the same in all examples (\$1,188 + \$176 = **\$1,364**)

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**The published hourly rate is \$22.00, the FB is \$8.00, and employee worked 44 hours**

The employer pays the worker \$19 per hour and contributes \$11 per hour into his/her 401k plan. The worker would be due on his/her check (and shown on certified payroll).

44 hrs. x \$19 =	\$836 (straight time pay)
4 hrs. x ½ (\$22) =	\$ 44 (overtime premium)
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	\$880

\*Note: In addition, the worker would be due \$484 (44 x \$11) in his/her 401k account. Note the total is the same in all example (\$880 + \$484 = **\$1,364**)

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- Rates of pay for a worker working in different classifications during a week with overtime.
- Weighted average is allowed in calculating overtime:

\$15/hr. for 40 hrs. as a laborer = \$600  
\$25/hr. for 10 hrs. as an operator = \$250  
Average Rate = (Total Dollars)/(Total Hours)  
\$850/50 hrs. = \$17  
Premium Rate = \$17 X 1/2 = \$8.50  
Premium Pay = \$8.50 X 10 hrs. = \$85.00

Total for the 50 hrs. worked:  
\$600.00 + \$250.00 + \$85.00= \$935.00

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## Weighted Average

Minimum Due Worker for the Work Week  
(FB paid in cash are not included in premium (OT) calculation)

Week Ending: 1/28/2017  
Employee: Bruce Wayne

	Hourly Rate	Su	M	Tu	W	Th	F	Sa	Total	Earned
Reg	\$15.00		4	6	7	7	6	6	36	\$540.00
PW BHR	\$24.90		2	2	4	4	3	3	18	\$448.20
PW FB	\$19.20		2	2	4	4	3	3	18	\$345.60
Premium (OT)	\$9.15						5	9	14	\$128.10
<b>.5(Wages Earned / Hours)</b>		<b>0</b>	<b>6</b>	<b>8</b>	<b>11</b>	<b>11</b>	<b>9</b>	<b>9</b>	<b>54</b>	
									<b>Total</b>	<b>\$1,461.90</b>
20% of work week		10.8								

## Weighted Premium (OT)

**.5 x ((\$540.00 + \$448.20) / 54 hours)**

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