

# Prevailing Wage Compliance 2022

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## Overtime

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- 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

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When computing overtime wages, the total wages paid must meet or exceed the combination stated in the contract:

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

Regardless of what combination of fringes and hourly rate is used

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## Overtime Examples

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**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 are paid as hourly wages. The worker is due:

44 hrs. x \$30 =	\$1,320 (straight time pay)
4 hrs. x ½ (\$22) =	\$ 44 (overtime premium)

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**\$1,364**

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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 contributes \$8.00/hr. into the workers 401k plan to meet the published fringe benefits requirement. The worker is due:

$$\begin{array}{rcl} 44 \text{ hrs.} \times \$22 & = & \$ 968 \text{ (straight time pay)} \\ 4 \text{ hrs.} \times \frac{1}{2} (\$22) & = & \$ 44 \text{ (overtime premium)} \end{array}$$

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\$1,012

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

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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 contributes \$4.00/hr. to a 401k plan and pays \$26.00/hr. to the worker. The worker is due:

$$\begin{array}{rcl} 44 \text{ hrs.} \times \$26 & = & \$1,144 \text{ (straight time pay)} \\ 4 \text{ hrs.} \times \frac{1}{2} (\$22) & = & \$ 44 \text{ (overtime premium)} \end{array}$$

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\$1,188

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

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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 pays the worker \$19/hr. and contributes \$11/hr. into their 401k plan. The worker is due:

$$\begin{array}{rcl}
 44 \text{ hrs.} \times \$19 & = & \$836 \text{ (straight time pay)} \\
 4 \text{ hrs.} \times \frac{1}{2} (\$22) & = & \$44 \text{ (overtime premium)} \\
 \hline
 & & \$880
 \end{array}$$

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

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## Weighted Average Overtime

If an employee worked in more than one classification and at different rates on a covered contract during the workweek, the overtime premium is computed based on the regular rate of pay.

- 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 Overtime

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
.5(Wages Earned / Hours)		0	6	8	11	11	9	9	54	
									Total	\$1,461.90
20% of work week		10.8								

### Weighted Premium (OT)

$$.5 \times ((\$540.00 + \$448.20) / 54 \text{ hours})$$

\*Note: sum of gross straight time earnings divided by total hours divided by two