

# Processing Retroactive FLSA Overtime Payments

(Use these instructions only for this process.)

Retroactive overtime pay is applicable for each incumbent who occupied a position determined to be PAO, or PAU during the period of August 22, 2004 through March 31, 2005. This includes active and terminated employees and those who transferred (promote, demote, lateral transfer) out of the position.

## 1. Calculate hourly 'regular' rate for employee.

- a. Annual rate divided by 2080, or monthly rate multiplied by 12, divided by 2080 (full-time equivalent work hours in a year; pro-rate if standard hours is less than 40).

*Example: An employee's monthly rate is \$2500. The hourly 'regular' rate for that workweek is \$14.42. This rate is used for any period there is no additional pay.*

- b. The regular rate must be increased to reflect any additional pay. (i.e., temporary pay, supplemental pay within the department). The hourly rate may vary by month/workweek if an employee was receiving any type of additional pay during specific periods.

*Example: An employee's monthly rate is \$2500 + \$500 monthly temporary pay = \$3000 monthly pay. The inflated hourly 'regular' rate for that workweek is  $\$3000 * 12 / 2080 = \$17.31$ . This rate is used during the period there is additional pay.*

## 2. Calculate half-time rate (used for payment of retroactive overtime hours).

- a. Hourly 'regular' rate divided by 2. (These employees have been paid a fixed salary regardless of whether they worked 30 hours or 50 hours in a week; and since they have been paid "1 times" for all hours worked, the overtime pay is "½ times" their hourly rate.)

## 3. Determine hours for which overtime is due.

- a. Count only hours worked—not hours for which leave was used (PTO, HOL, etc.)
- b. Overtime hours are those hours worked that exceed 40 in a workweek. (IU's workweek begins and ends Saturday at midnight.)

*Example:      40 REG + 8 HOL = 0 hours OT  
                   42 REG + 8 HOL = 2 hours OT (at half-time)*

- c. Do not make deductions in pay for short workweeks (i.e., those weeks during which employees worked and/or took leave and total hours were less than 40).
- d. For employees who did not complete a Record of Hours Worked form: Their record must be created using department records, employee records, and employee and supervisor recollections.

## 4. Determine retroactive overtime due.

- a. All payments will be paid on the monthly payroll cycle; however, termed or separated employees pay may be processed on an off-cycle payroll.

*Amount = Actual Hours Worked over 40 \* Half-time Rate*

Overtime Period	Pay Date	Process E-Doc by:
August 22, 2004 through January 29, 2005	February 28	February 11
January 30, 2005 through February 26, 2005	March 31	March 18
February 27, 2005 through April 1, 2005	April 30	April 15

## 5. Payment of retroactive overtime due.

- a. Complete a *Create Additional Pay* E-Doc
  - (1.) Select the appropriate Job Record based upon employee status and related instructions in Section 6 below.
  - (2.) Select *FLSA Payment (OFC)* (code will be available February 3<sup>rd</sup> in E-Docs).
  - (3.) Select *Effective Date* based upon employee status and related instructions in Section 6 below.
  - (4.) *Position Number*, do not change the position number displayed, click *Accept*.
  - (5.) *Earnings End Date*, enter the same date chosen as the *Effective Date* in Step 3.
  - (6.) *Total Amount*, enter the total calculated amount to be paid for the retroactive period.
  - (7.) *Begin Date*, enter the beginning date of the period the retroactive pay is for.
  - (8.) *End Date*, enter the end date of the period the retroactive pay is for.
  - (9.) *Comments*, insert the number of overtime hours and the half-time hourly rate used for the calculation of *Total Amount*, click *Accept*.
  - (10.) Complete all funding components, check your work, click *Route*.

## 6. Employee Status.

- a. Active
  - (1.) Complete a separate E-Doc for each Overtime Period identified in the chart in Section 4.
  - (2.) Job Record – select the most recent staff record.
  - (3.) *Effective Date*, select an effective date within the month the payment is to be paid (i.e. if the pay is to be reflected on the February 28 pay advice, the effective date must be February 1 – 28).
- b. Terminated
  - (1.) Complete one E-Doc capturing all retroactive overtime due.
  - (2.) Job Record – select the most recent staff record displayed.
  - (3.) *Effective Date*, select an effective date one day prior to the next existing Job record (displayed on the screen).
  - (4.) *Comments*, in addition to the information above, include the date of termination.
  - (5.) Complete an adjustment voucher and forward it to Payroll.

Note: *For employees who terminate between February and April, first process the termination E-Doc and associated forms. After the termination has been approved in HRMS, process any overtime owed using the process above—do not process the Additional Pay prior to processing the Termination.*

- c. Transferred (changed position, promotion, demotion, lateral transfer)
  - (1.) Complete one E-Doc capturing all retroactive overtime due.
  - (2.) Job Record – select the most recent staff record that reflects your department code (and the appropriate position if the employee changed positions within your department).
  - (3.) *Effective Date*, select an effective date equal to the date of the job record selected above.
  - (4.) Complete an adjustment voucher and forward it to Payroll.

Note: *For employees who transfer between February and April, first process the appropriate E-Doc. After the E-Doc has been approved in HRMS, process any overtime owed using the process above—do not process the Additional Pay prior to processing the transfer.*

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