Overview

Payments and Deductions · https://paiyroll.com/kb/overtime/

Follow this guide to add Overtime Pay Definitions.

Overview

There are two options, depending on whether the overtime rates are based on a salary or independent (no salary).

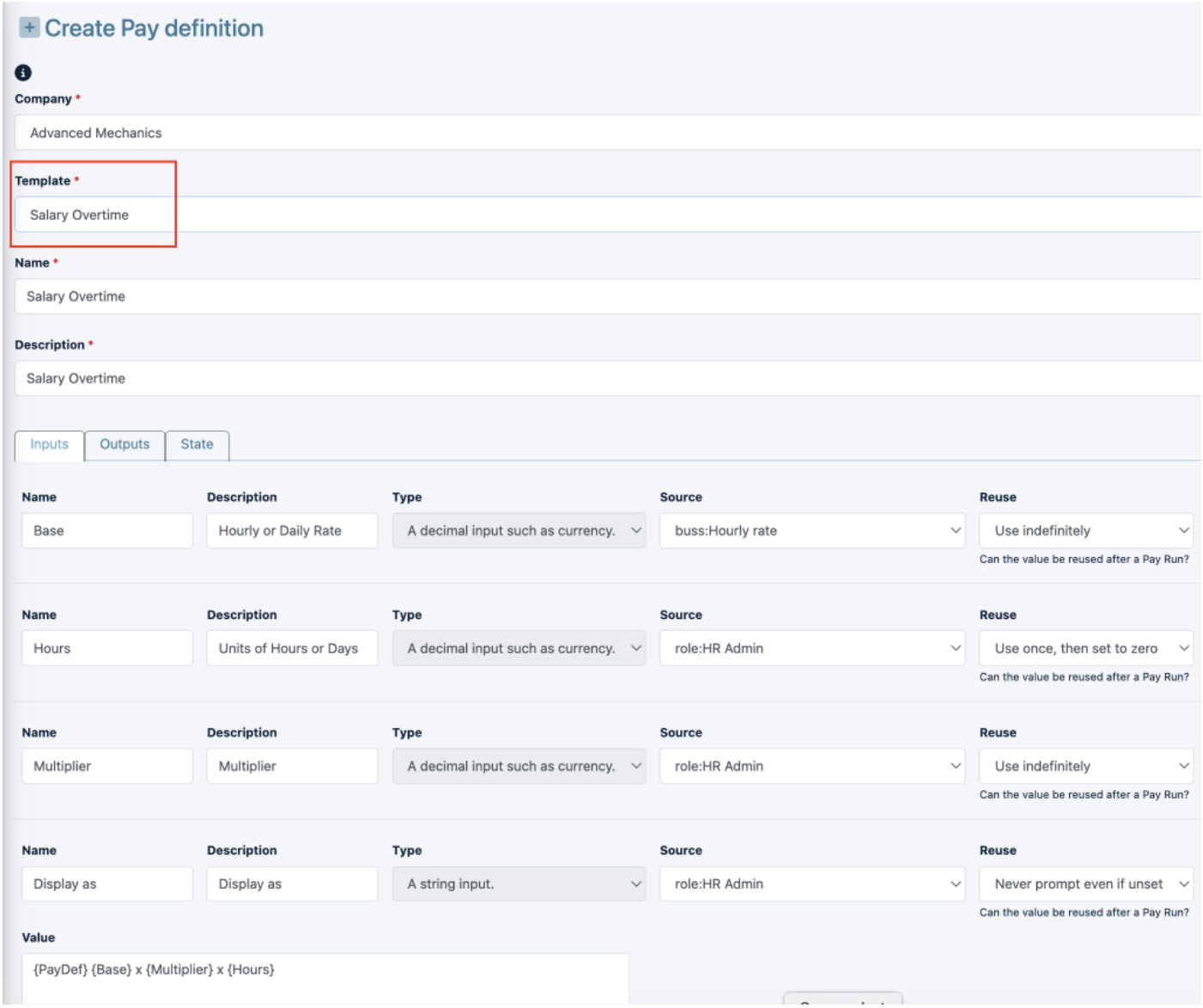
Furthermore, you can either:

- Enter 2 values: **Rate** x **Hours/ Days** using the *Per unit* Pay Template or
- Enter 3 values: **Rate** x **Multiplier** x **Hours/ Days** using the *Salary Overtime* Pay Template

Annual salary with linked overtime

Ensure the worker has a **Salary** Pay Item and enter the annual salary in **Base Salary.**

Setup > Pay Definitions > Add > Group:Other Template:Salary Overtime to create a **Salary Overtime** Pay Definition:



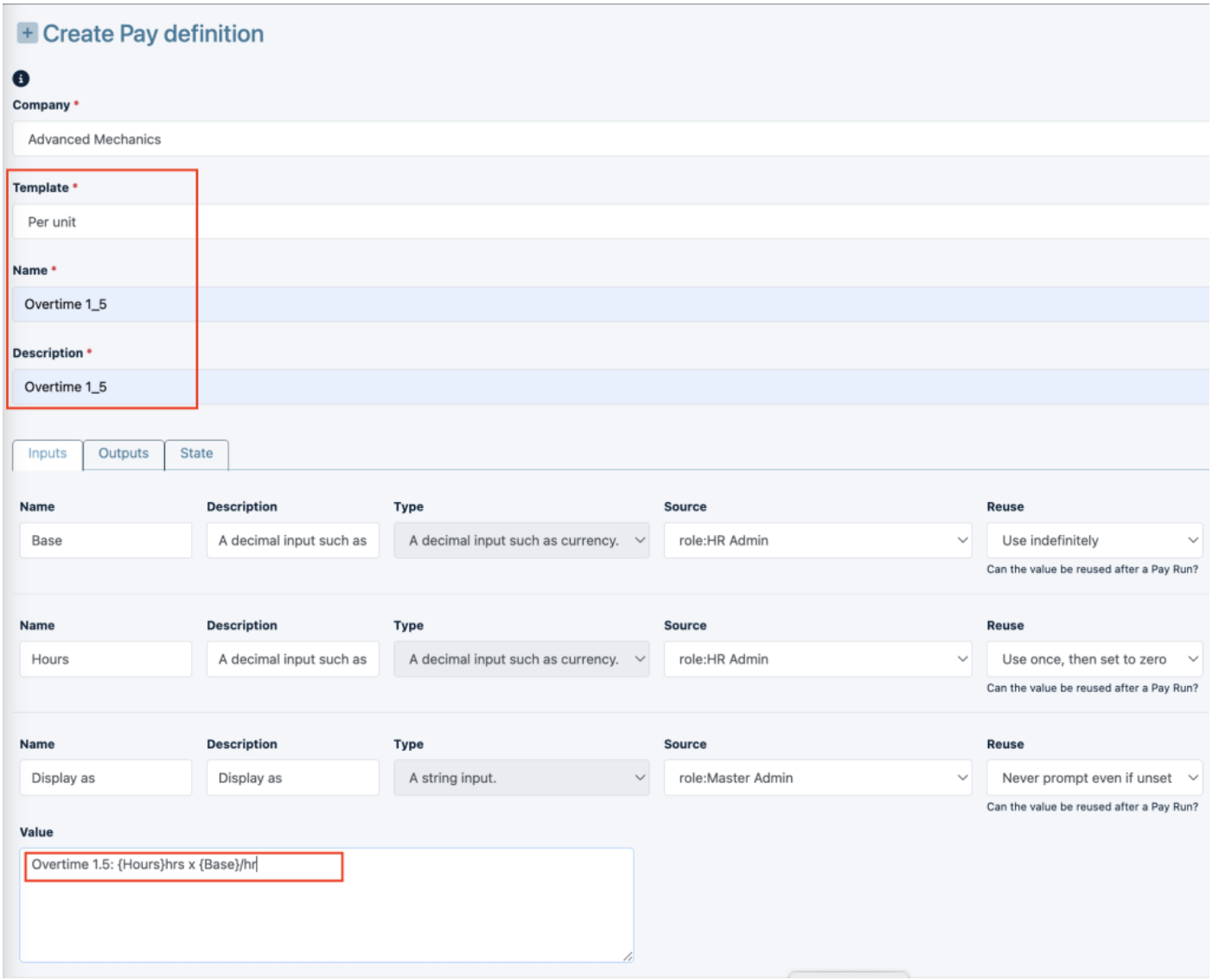
Next, go to the **Pay Item editor**, search/select the **employee**, then select the required Pay Definition in the **Create Pay Item** selector to create the pay item for the employee.

This Pay Item will use the annual salary, divided by the Salary Scheme Annual hours, to compute an hourly rate that automatically changes when the annual salary changes. You only need to enter the Hours and Multiplier.

Overtime (no salary)

Two Inputs: Base Rate and Hours

If you need multiple rates, e.g. Overtime 1, Overtime 1.5 and Overtime 2, then the simplest method is to create new Pay Definitions based on the *Per Unit* Template named appropriately:



Next, go to the **Pay Item editor**, search/select the **employee**, then select the required Pay Definition in the **Create Pay Item** selector to create the pay item for the employee.

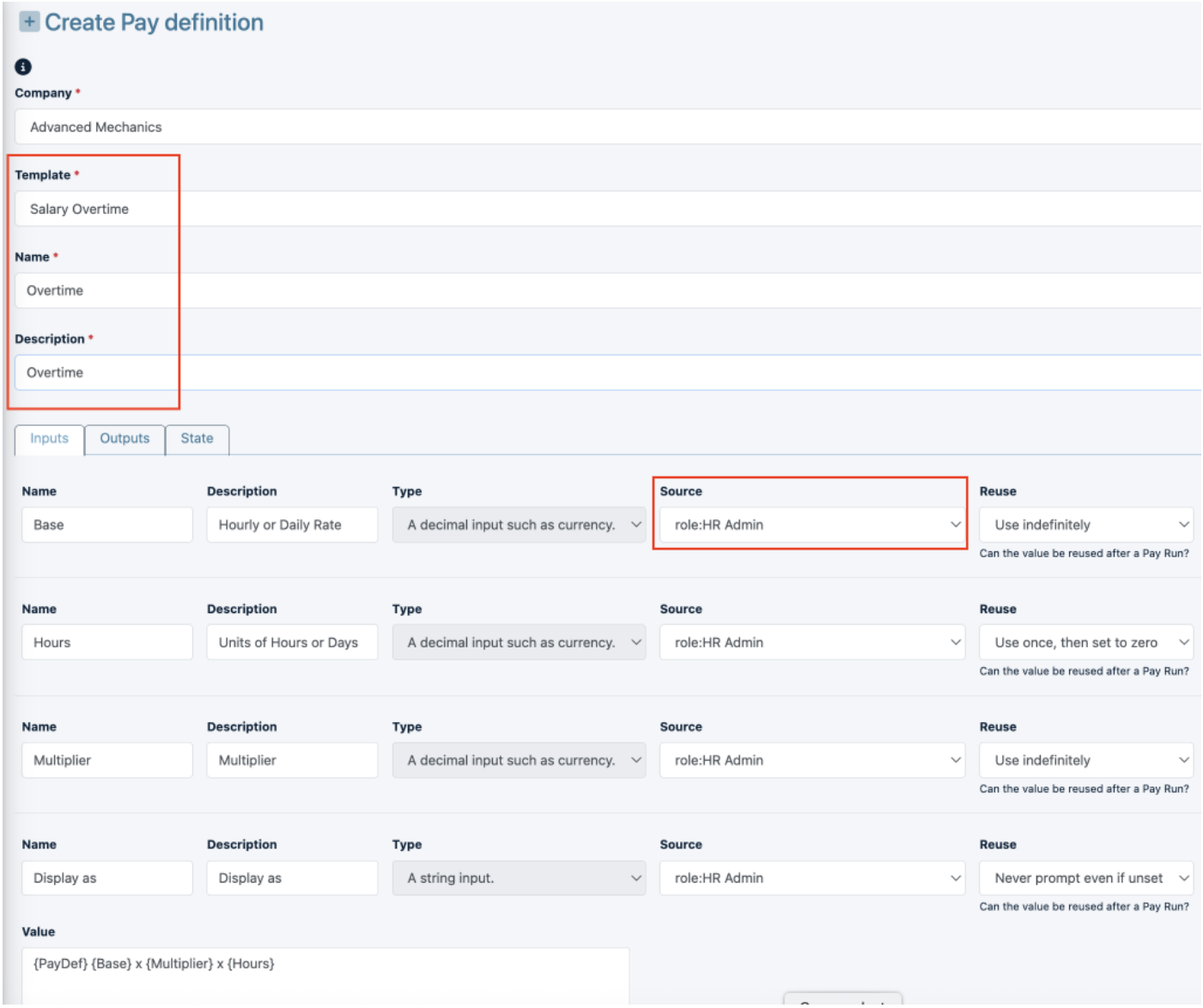
As there are only 2 input values and no multiplier, you will enter the multiplied rate or multiplied hours.

Repeat and add as many Pay Definitions as needed, ensuring that each has a unique name.

Three inputs: Rate, Multiplier and Hours

If you prefer to enter three input values (Base rate, Hours, and Multiplier), then create a new Pay Definition based on a modified Salary Overtime Template (note that salary is not used or required).

Setup > Pay Definitions> Add... as below:



Next, go to the **Pay Item editor**, search/select the **employee**, then select the required Pay Definition in the **Create Pay Item** selector to create the pay item for the employee.

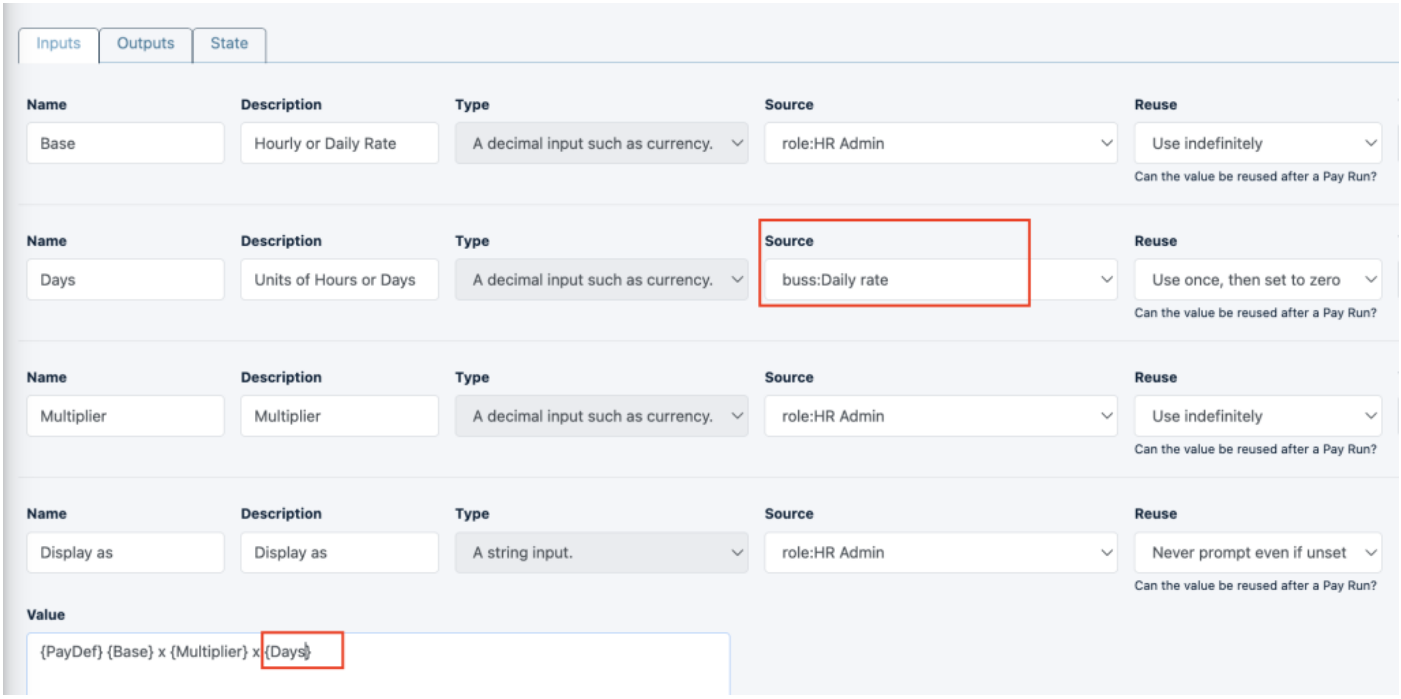
You will now have a single Overtime Pay Definition where you can provide 3 inputs: Base (rate), Hours and Multiplier.

If any worker requires multiple overtime rates, then add more Pay Definitions, each with a unique name, e.g. Overtime 1, Overtime 2, etc.

Days instead of Hours

You can easily create Overtime Pay Definitions using **Days** rather than Hours. Follow the steps above, but change the **Hours** input name to **Days**. Don't forget to edit the *Display as* code accordingly.

When you are adding a salary-based Overtime, you will need to change the Base input Source to buss: Daily rate so that the system automatically computes the daily rate:



Future

If you have employees with different hours, use multiple Salary schemes. In a future release, you can enter an FTE in the employee work pattern.