

5-2 PAY PERIODS AND HOURLY RATES

To do now:

1. Write down the objectives
2. Take out earbuds

OBJECTIVES

Compute periodic salary

Compute wages and overtime pay

Compute tip percentages

You will need:

- **Papers on the student table**
- **Textbook**
- **Calculator**
- **Pen or Pencil**
- **Notebook Paper**

Red Items are needed
during the lecture



**Is it possible that
your employer could
make a mistake on
your paycheck?**

You need to know...

- how to compute your gross wages on a pay check
- how to compute overtime pay

Vocabulary

- **Biweekly:**
 - Every 2 weeks
 - 26 paychecks a year
- **Semimonthly:**
 - Twice a month
 - 24 paychecks a year
- **Time-and-a-half:**
 - An overtime rate
 - It is 1.5 times larger than the regular rate.

- **Exempt status:**
 - a salary employee
 - **Can not** earn overtime.
- **Non-Exempt status:**
 - an hourly wage employee
 - **Can** earn overtime.

Christina is paid biweekly. Her annual salary is \$37,000. What is her biweekly salary, rounded to the nearest cent?

$$\text{Gross paycheck} = \frac{\text{Annual salary}}{\# \text{ of pay periods per year}}$$

$$= \frac{37,000}{26}$$

$$26$$

$$= \$1,423.08$$

Example 2 - You try it!

Manny is paid semimonthly. His semimonthly salary is \$1,239. What is his annual salary?

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$$\text{Gross paycheck} = \frac{\text{Annual salary}}{\text{\# of pay periods per year}}$$

$$\begin{aligned} 1,239 &= \frac{X}{24} \\ &= \mathbf{\$29,736.00} \end{aligned}$$

Maureen works at a local Chicken King restaurant. Her regular hourly wage is \$15.70. If she regularly works 40 hours per week, what is her regular weekly pay?

$$\begin{aligned}\text{Regular wage} &= \# \text{ of hours} \times \text{hourly rate} \\ &= 40 \times 15.70 \\ &= \mathbf{\$628.00}\end{aligned}$$

Maureen's regular hourly wage is \$15.70, but if she works overtime, she receives time-and-a-half. What is Maureen's hourly overtime rate?

$$\begin{aligned}\text{Overtime rate} &= \text{overtime multiplier} \times \text{hourly rate} \\ &= 1.5 \times 15.70 \\ &= \mathbf{\$23.55}\end{aligned}$$

Example 5

Janice earns \$16 per hour. If her regular hours are 40 hours per week, and she receives time-and-a-half overtime, find her total pay for a week in which she works 45 hours.

$$\begin{aligned}\text{Gross wage} &= (\text{regular hours} \times \text{hourly rate}) + \\ & (\text{overtime hours} \times \text{overtime multiplier} \times \text{hourly rate}) \\ &= (40 \times 16) + (5 \times 1.5 \times 16) \\ &= \mathbf{\$760.00}\end{aligned}$$

Example 6 - You Try it!

Jillian worked her 40 regular hours last week, plus 2 overtime hours at a double-time rate. Her gross pay was \$484. What was her hourly rate?

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$$\begin{aligned}\text{Gross wage} &= (\text{regular hours} \times \text{hourly rate}) + \\ &\quad (\text{overtime hours} \times \text{overtime multiplier} \times \text{hourly rate}) \\ 484 &= (40 \times R) + (2 \times 2 \times R) \\ &= \mathbf{\$11.00}\end{aligned}$$

You are considering taking a job as a waiter. The manager tells you that you will be earning tips. He tells you that the average food sales for a waiter is \$300 per night. The average tip is 15% of food sales. What can you expect in tips?

$$\begin{aligned}\text{Expected Tips} &= \text{sales} \times \text{expected \%} \\ &= 300 \times .15 \\ &= \mathbf{\$45.00}\end{aligned}$$

What do I do now?

The 5-2 #1 Assignment

When is it due?

Next Class