

Computing Gross Pay

Gross Pay - total pay before any deductions are subtracted

Hourly Wage - amount earned for each hour worked
- regular rate of pay

Standard Work Day - 40 regular hours a week (8 hours a day, 5 days a week)

Overtime - time worked beyond the regular hours
- pay is 1 ½ times the regular rate of pay

Salary - amount of earnings for the year (annual)
- divided into equal amounts for each pay period
- round amounts to the nearest cent

There are several different types of **pay periods**:

monthly = 12

semi-monthly = 24

weekly = 52

bi-weekly = 26

EXAMPLES of Computing Gross Pay:

Hourly Wage: regular pay = \$6.50/hour regular hours worked = 40

$$\$6.50 \times 40 \text{ hours} = \$260.00$$

Overtime: regular pay = \$6.50/hour regular hours worked = 40 hours,
overtime hours worked = 5

Regular pay x 1.5 = overtime pay

$$\$6.50 \times 1.5 = \$9.75/\text{hour overtime pay}$$

$$\$6.50 \times 40 \text{ hours} = \$260.00$$

$$\$9.75 \times 5 \text{ hours} = \underline{48.75}$$

$$\text{Total gross pay} = \$308.75$$

} **add** regular pay
and overtime pay

Salary: Annual salary = \$24,000 biweekly pay period

$$\$24,000 / 26 \text{ pay periods} = \$923.08$$

Computing Gross Pay

Name _____

- 1) Regular hours = 40 Overtime hours = 8 Regular rate of pay = \$5.75/hour

- 2) Regular hours = 40 Overtime hours = 4 Regular rate of pay = \$5.80/hour

- 3) Hours worked = 46 Regular rate of pay = \$5.82/hour

- 4) Hours worked = 51 Regular rate of pay = \$5.35/hour

- 5) Regular salary = \$984/month Overtime pay = \$8.39/hour Overtime hours = 14

- 6) Regular salary = \$1,100 per month Overtime pay = \$9.38/hour Overtime hours = 20

- 7) Annual pay = \$22,200 Monthly pay period

- 8) Annual pay = \$14,900 Weekly pay period

Computing Gross Pay

Name KEY

1) Regular hours = 40 Overtime hours = 8 Regular rate of pay = \$5.75/hour

$$\begin{array}{r} 40 \times 5.75 \\ 1.5 \times 5.75 \times 8 \\ \hline \end{array} = \begin{array}{r} \$230.00 \\ 69.00 \\ \hline \$299.00 \end{array}$$

2) Regular hours = 40 Overtime hours = 4 Regular rate of pay = \$5.80/hour

$$\begin{array}{r} 40 \times 5.80 \\ 1.5 \times 5.80 \times 4 \\ \hline \end{array} = \begin{array}{r} \$232.00 \\ 34.80 \\ \hline \$266.80 \end{array}$$

3) Hours worked = 46 Regular rate of pay = \$5.82/hour

$$\begin{array}{r} 40 \times 5.82 \\ 1.5 \times 5.82 \times 6 \\ \hline \end{array} = \begin{array}{r} \$232.80 \\ 52.38 \\ \hline \$285.18 \end{array}$$

4) Hours worked = 51 Regular rate of pay = \$5.35/hour

$$\begin{array}{r} 40 \times 5.35 \\ 1.5 \times 5.35 \times 11 \\ \hline \end{array} = \begin{array}{r} \$214.00 \\ 88.28 \\ \hline \$302.28 \end{array}$$

5) Regular salary = \$984/month Overtime pay = \$8.39/hour Overtime hours = 14

$$\begin{array}{r} \$984.00 \\ \$8.39 \times 14 \\ \hline \end{array} = \begin{array}{r} 117.46 \\ \hline \$1,101.46 \end{array}$$

6) Regular salary = \$1,100 per month Overtime pay = \$9.38/hour Overtime hours = 20

$$\begin{array}{r} \$1,100.00 \\ 9.38 \times 20 \\ \hline \end{array} = \begin{array}{r} 187.60 \\ \hline \$1,287.60 \end{array}$$

7) Annual pay = \$22,200 Monthly pay period

$$\$22,000 / 12 = \$1850$$

8) Annual pay = \$14,900 Weekly pay period

$$\$14,900 / 52 = \$286.54$$

9) Annual pay = \$32,600 Biweekly pay period