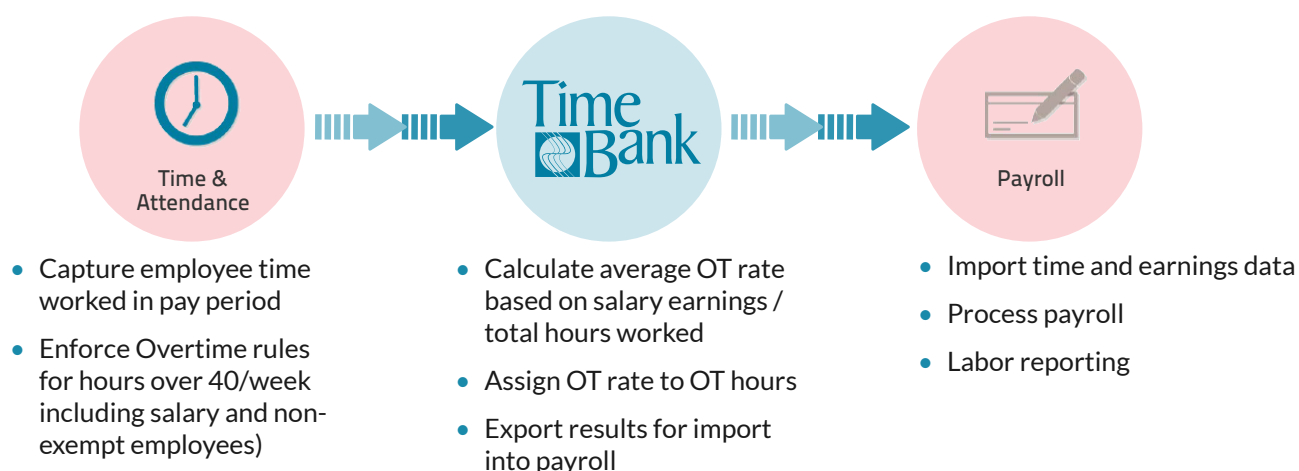# IDI Time Bank Solutions:
Fluctuating/Variable Rate Overtime

IDI's **Time Bank™ Fluctuating or Variable Rate OT (VROT)** solution is designed for companies with employees classified as "salary non-exempt". Salary non-exempt employees are overtime eligible employees but also paid a defined salary amount each pay cycle. Time Bank calculates the appropriate overtime rate for the salary non-exempt employees that earn a descending premium rate of pay for overtime based on total hours worked in the week or pay period.

It is expected that all premium overtime hours are identified by the time and attendance system (usually based on worked hours for the work week). Also any additional earnings (e.g. bonus, commission) are entered in the time and attendance system in the current pay period.

Data/System Flow

Time & Attendance
- Capture employee time worked in pay period
- Enforce Overtime rules for hours over 40/week including salary and non-exempt employees)

Time Bank
- Calculate average OT rate based on salary earnings / total hours worked
- Assign OT rate to OT hours
- Export results for import into payroll

Payroll
- Import time and earnings data
- Process payroll
- Labor reporting

Processing Frequency:

- Once per pay period (end of pay period)

Payroll Admin User Steps

1. Run Time Bank (double click icon)
2. Import Time Bank file into payroll system
   - Review results and process payroll

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Fluctuating/VROT Calculation

Weekly Overtime Earnings = ((Weekly Salary Rate +Weekly Additional Earnings)/ Weekly Total Hours) x 0.5) x Weekly Overtime Hours

Example

Weekly Salary Rate = $1,000.00

Data from Time & Attendance:

Week Begin Date	Week End Date	Regular Hours
7/30	Regular	8.00
7/31	Regular	8.00
8/1	Regular	8.00
8/2	Regular	8.00
8/3	Regular	7.00
8/4	Overtime	3.75
8/6	Regular	8.00
8/7	Regular	8.00
8/8	Regular	8.00
8/9	Regular	8.00
8/10	Regular	8.00
8/11	Overtime	4.00

Additional earnings for week 1 = $500.00 Commission

Additional earnings for week 2 = $0

Time Bank Calculation

Weekly Total Hours =

- Week 1 = 43.75
- Week 2 = 44.00

Weekly Total Overtime Hours =

- Week 1 = 3.75
- Week 2 = 4.00

Week 1 OT earnings =

$1,000 (Weekly salary) + $500 (Additional Earnings) / 43.75 (worked hours) x .5 x 3.75 (OT Hours) = $64.28

Week 2 OT earnings =

$1,000 (Weekly salary) +$0 (Additional Earnings) / 44.00 (worked hours) x .5 x 4.00 (OT Hours) = $45.45

Total Overtime Earnings to map to payroll =$64.28 + $45.45 = $109.73

☑ Other Commonly Requested Time Bank Solutions for Prior Period OT Adjustment Clients

Below is a list of IDI solutions outside of the Variable Rate Overtime solution described above. Please contact IDI to learn more about these frequently requested solutions:

- **Salary Allocation:** Allocating exempt employee salary earnings proportionate to projects/jobs/grants/ funds worked in the pay period
- **Retro/Prior Period Fair Labor Standards Act (FLSA):** Calculating overtime adjustments based on a non-discretionary payment (e.g. bonus or commission) paid in current month but applied to prior month's overtime earnings to comply with FLSA guidelines.
- **Straight Time Overtime:** Assigning the proper Overtime earnings code to payroll when an employee has over 40 hours charged in time system due to PTO or other non-worked time. This solution helps pay the employee 1.5x OT when they had "worked" hours over 40 and Straight Time (1.0x) OT when had over 40 hours due to PTO or other non-worked time.
- **Semi-Monthly FLSA:** Calculating the appropriate weekly FLSA average OT rate for companies that pay twice per month (typically 1st – 15th and 16th – end of month) and have overtime eligible employees. This IDI Time Bank solution has the flexibility to retrieve the appropriate full work weeks in the current and previous pay period ("arrears") to automate the calculation of the average weekly overtime rate for each full work week to send to payroll.

Contact IDI at **866-846-3226-option 1** or **sales@idesign.com** to discuss our solutions.

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