



CALCULATING WAGES & INCOME

Personal Finance: Hourly Wage- Part 1



When it comes to money...the more the better.



Lesson Objective

Students will learn about minimum wage, straight time, overtime, double-time, stacking, and how each one affects your wages.



Minimum Wage

Minimum Wage is the lowest amount of money you are allowed to be paid for one hour of work, as defined by law.

- Each state has its own minimum wage law for those who work in that state. The Federal Government also sets a National Minimum Wage. You will be paid whichever of these two rates, state or federal, is higher.
- How much is minimum wage where you live?
<http://www.dol.gov/whd/minwage/america.htm>



Straight Time

Straight Time is your normal hourly wage if you only work up to 40 hours in a week.

For example:

Your job pays you \$10 an hour. For the first 40 hours each week that you work, you earn a **straight time** rate of \$10 each hour.



Overtime

Overtime is your normal hourly wage times 1.5 for every hour that you work over 40 hours in a week. It could also be for any hours worked in a single day over 8 hours.

For example:

Your job still pays you \$10 an hour.

But, if you work 45 hours in a week, the extra 5 hours of **Overtime** are paid at \$15 an hour.

That is $\$10 \times 1.5 = \$15/\text{hour}$



Double-time

Double-Time is your normal hourly wage times 2 for every hour that you work under special circumstances.

For example:

Your job still pays you \$10 an hour.

But, if you work 8 hours on Christmas Day, your company may offer to pay you **Double-Time** for those 8 hours.

That is $\$10 \times 2 = \20 per hour



Stacking

Stacking is the math used by your company to determine if your hours worked are **Straight Time** or **Overtime** hours.

For example:

You worked 20 hours on Monday and 20 hours on Tuesday. If you **Stack** those hours on top of each other, you have worked 40 hours that week. Any additional hours you work will now earn **Overtime**.



Not- Stacking

However, your company also has the option of paying **Straight Time** for the first 8 hours of each workday no matter how many hours you have already worked that week.

For example:

Monday: 8 hours **Straight Time** + 12 hours **Overtime**.

Tuesday: 8 hours **Straight Time** + 12 hours **Overtime**.

You are already at 40 hours for the week, but...

Wednesday: 8 hours **Straight Time**.

They can do this because they are calculating **Overtime** daily instead of weekly.



Ask...

Every company has a different policy for how they figure overtime. You will need to ask your manager how it is figured where you work.



Review:

If your wage is \$10 per hour...

1. How much would you be paid for overtime?
2. How much would you be paid for double-time?
3. How much would you be paid for straight time?



Review:

If your wage is \$10 per hour...

1. How much would you be paid for overtime?

\$15

2. How much would you be paid for double-time?

\$20

3. How much would you be paid for straight time?

\$10