



### EXAMPLE 1: Hourly employee earnings with overtime

<i>Hourly wage (AEWR, 2022) = \$17.41</i>	
	<b>Totals</b>
*Total Hours Worked (includes rest periods); 6-days	61 hours
Recorded Rest Periods	140 minutes = 2.33 hours

*\*Assume employee worked hours in 2022*

**Note:** Since hourly wage, no need to pay separate rest periods.

1. Total Base Compensation = 61 hours x \$17.41 per hour = \$1,062.01
2. Overtime Compensation = 6 hours x \$17.41 X 0.5 = \$52.23
3. **Total Compensation with Overtime** = \$1,062.01 + \$52.23 = \$1,114.24

**Note:** Since straight pay is already covered, you only need to multiple the regular rate of pay by the overtime hours and 0.5 (or the OT half owed)

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## EXAMPLE 2: Hourly employee earnings with overtime, plus retention bonus (non-discretionary)

<i>Hourly wage (AEWR, 2022) = \$17.41   Season-end bonus of \$500.00 if stay to end of season</i>	
	<b>Totals</b>
*Total Hours Worked (includes rest periods); 6-days	*61 hours
Season-End Bonus	**\$500.00

*\*Assume employee worked hours in 2022*

*\*\*Assume pay bonus on final weekly paycheck (week 6) instead of retroactively*

**Note:** OT must be paid at regular rate, and non-discretionary bonuses increase the regular rate. However, this non-discretionary bonus is not production based, so it is not a piece-rate bonus and rest periods are not required to be paid separately.

1. Total Base Compensation = 61 hours x \$17.41 per hour = \$1,062.01
2. Bonus Compensation = \$500.00
3. **Total Compensation with Non-Discretionary Bonus and Overtime =**
  - a. New Regular Rate w/Bonus = \$1,062.01 + \$500.00 = \$1,562.01 / 61 hours = \$25.61 per hour
  - b. Total Overtime Owed = \$25.61 x 6 hours x 0.5 = \$76.83
  - c. **New Total Compensation with Overtime and Bonus =**  
\$1,062.01 (base) + \$500 (bonus) + \$76.83 (Overtime) = \$1,638.84

Note: (slide examples of non-discretionary bonus) i.e. production-based bonus; retention bonus; supervisor example: hold XX safety meetings; potato example, apple example walk through each example).

### EXAMPLE 3: Piece rate earnings with overtime

<i>Apple picking - \$29.00 per bin   Piece Rate Down Time = \$17.41 per hour</i>	
	<b>Totals</b>
Total Bins; 6-days	55 bins
*Total Work Hours; 6-days	60 hours
Recorded Rest Periods in 6-days	140 minutes = 2.33 hours
Piece Rate Active Time	51.67 hours
Piece Rate Down Time	6 hours

*\*Assume employee worked hours in 2022*

**Note:** Since piece rate, need to pay separate rest periods, and include separate rest periods in regular rate calculation.

1. Piece-Rate Active Time Compensation = 55 bins x \$29.00 per bin = \$1,595.00
2. Piece-Rate Down Time Compensation = 6 hours x \$17.41 per hour = \$104.46
3. Piece-Rate Rest Period Regular Rate of Pay =  $(\$1,595 + \$104.46) / (51.67 \text{ hours} + 6 \text{ hours}) = \$29.47 \text{ per hour}$
4. Piece-Rate Rest Period Pay = \$29.47 per hour x 2.33 hours = \$68.66
5. Total Base Compensation with Rest Period Pay = \$1,595 + \$104.46 + \$68.66 = \$1,768.12
6. Regular Rate of Pay = \$1,768.12 / 60 hours = \$29.47 per hour
7. Overtime Pay = \$29.47 per hour x 5 hours x 0.5 = \$73.67
8. **Total Compensation including Overtime Pay** = \$1,768.12 + \$73.67 = \$1,841.79

**Note:** Highlight piece rate down time.

## EXAMPLE 4: Piece rate earnings with overtime, plus non-discretionary bonus

<i>Apple picking - \$29.00 per bin   Piece Rate Down Time = \$17.41 per hour   End of Season bonus of \$200 for sticking around 4 weeks.</i>	
	<b>Totals</b>
Total Bins; 6-days	55 bins
*Total Work Hours; 6-days	60 hours
Recorded Rest Periods in 6-days	140 minutes = 2.33 hours
Piece Rate Active Time	51.67 hours
Piece Rate Down Time	6 hours

\*Assume employee worked hours in 2022

\*\*Assume hours the same for all 4 weeks of work

\*\*\*Assume pay bonus on final weekly paycheck (week 4) instead of retroactively

**Note:** Since piece rate, need to pay separate rest periods. LNI says employer may choose to (a) credit the entire bonus to the workweek in which it is paid or (b) retroactively re-calculate the separate the prior workweeks attributable to the bonus. Option (a) is easier.

1. Calculate Total Base Compensation Plus Rest Periods and Overtime
  - a. Piece-Rate Active Time Compensation = 55 bins x \$29.00 per bin = \$1,595.00
  - b. Piece-Rate Down Time Compensation = 6 hours x \$17.41 per hour = \$104.46
  - c. Piece-Rate Rest Period Regular Rate of Pay =  $(\$1,595 + \$104.46) / (51.67 \text{ hours} + 6 \text{ hours}) = \$29.47 \text{ per hour}$
  - d. Piece-Rate Rest Period Pay = \$29.47 per hour x 2.33 hours = \$68.66
  - e. Total Base Compensation with Rest Period Pay = \$1,595.00 + \$104.46 + \$68.66 = \$1,768.12
  - f. Overtime Regular Rate of Pay =  $\$1,768.12 / 60 \text{ hours} = \$29.47 \text{ per hour}$
  - g. Overtime Pay = \$29.47 per hour x 5 hours x 0.5 = \$73.68
  - h. Base Compensation plus Overtime Pay (before bonus) =  $\$1,768.22 + \$73.68 =$   
\$1,841.90
2. Calculate Additional Compensation Owed Due to Bonus Payment
  - a. Bonus (credited to the last week): \$200
  - b. Bonus Per Hour =  $\$200.00 / (51.67 \text{ hours} + 6 \text{ hours}) = \$3.47 \text{ per hour}$
  - c. Additional Rest Period Pay Owed =  $\$3.47 \text{ per hour} \times 2.33 =$  \$8.09
  - d. Additional Overtime Owed =  $\$3.47 \times 5 \times 0.5 =$  \$8.67
3. Total Compensation Owed This Week
  - a. \$1,841.90 + \$200 + \$8.09 + \$8.67 = \$2,058.66

## EXAMPLE 5: Hourly Plus Productivity Bonus (“Incentive Pay”), with overtime

<i>Hourly wage (AEWR, 2022) = \$17.41   Piece Rate Down Time = \$17.41 per hour   Productivity Bonus = \$1.50 per piece over the incentive pay threshold / Incentive Pay Threshold = 500 piece per week</i>	
	<b>Totals</b>
*Total Work Hours; 6-days	60 hours
Total Pieces	700
Recorded Rest Periods in 6-days	140 minutes = 2.33 hours

*\*Assume employee worked hours in 2022*

**Note:** LNI says Ag employees paid on an hourly basis, who also receive a production-based bonus, must be paid separately for rest periods to satisfy the requirement that rest periods are “on the employer’s time.” See [DLI Admin. Policy ES.C.6.2](#), at #16. However, when the employee is paid on an hourly basis, the employee has already received some of the rest period pay owed for the week. Thus, employers are only required to pay the additional value attributable to the production-based bonus.

1. Base Compensation = 60 hours x \$17.41 per hour = \$1044.60
2. Bonus Owed = 700 total pieces - 500 threshold = 200 pieces x \$1.50 = \$300.00
3. Additional Rest Period Pay Owed (i.e. above already paid at hourly rate)\*\*
  - a. Rest Period Premium Rate = \$300.00 bonus / (60 hours - 2.33 hours) = \$5.19 per hour
  - b. Total Rest Period Premium Pay Owed = \$5.19 x 2.33 = \$12.10
4. Overtime Owed
  - a. New Regular Rate w/Bonus and Rest Breaks = (\$1044.60 + \$300.00 + \$12.10) / 60 = \$22.61 per hour
  - b. Total Overtime Owed = \$22.61 x 5 hours x 0.5 = \$56.53
5. **Total Compensation Owed This Week**
  - a. \$1044.60 + \$300.00 + \$12.10 + \$56.53 = \$1,413.23

\*\* Another method to calculate additional rest period pay owed, is to calculate the total rest periods owed for the week (including the hourly rest periods already paid), and subtract the hourly rest periods already paid.

## EXAMPLE 6: Combo Piece Rate and Hourly, on Separate Days

<i>Hourly wage (AEWR, 2022) = \$17.41   Piece Rate Down Time = \$17.41 per hour   Apple picking - \$29.00 per bin</i>	
	<b>Totals</b>
*Total Work Hours; 6-days	60 hours
Hourly Pay hours; 3 days	30 hours
Piece Rate Hours; 3 days	30 hours
Total Bins	25 bins
Piece Rate Down Time	2 Hours
Piece Rate Active Time	28 Hours
Recorded Piece Rate Rest Periods in 3-days	60 minutes = 1 hour

*\*Assume employee worked hours in 2022*

**Note:** Need to pay separately for rest periods during piece-rate hours.

1. Hourly Straight Time =  $\$17.41 \times 30 = \underline{\$522.30}$
2. Piece Rate Active Time Compensation =  $25 \text{ bins} \times \$29.00 \text{ per bin} = \underline{\$725.00}$
3. Piece-Rate Down Time =  $2 \text{ hours} \times \$17.41 = \underline{\$34.81}$
4. Piece-Rate Rest Periods Owed
  - a. Piece-Rate Rest Period Regular Rate =  $(\$522.30 + \$725.00 + \$34.81) / 59 \text{ hours} = \underline{\$21.73}$
  - b. Piece-Rate Rest Periods Owed =  $\$21.73 \times 1 \text{ hour} = \underline{\$21.73}$
5. Total Compensation before OT =  $\$522.30 + \$725.00 + \$34.81 + \$21.73 = \underline{\$1,303.85}$
6. Overtime Regular Rate of Pay =  $\$1,303.85 / 60 = \underline{\$21.73}$
7. Overtime Pay Owed =  $\$21.73 \times 5 \times 0.5 = \underline{\$54.33}$
8. **Total Compensation including Overtime Pay**
  - a.  $\$1,303.85 + \$54.33 = \underline{\$1,358.18}$

Potential Issue: Potential argument that the hourly rest periods must be supplemented.