

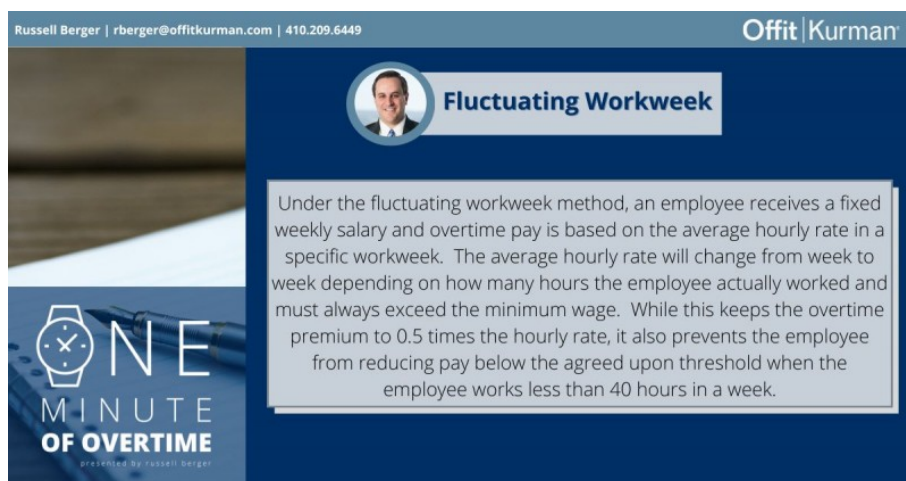
Fluctuating Workweek

April 19, 2023

By Russell B. Berger

Welcome to One Minute of Overtime, where I will share insights on Labor and Employment Law topics, mostly related to minimum wage and overtime compliance issues.

Compliance in this area of law is nuanced and technical, so it is critical for employers to audit and adjust their practices to remain compliant, so stop by to stay up-to-date and in-the-know.



Russell Berger | rberger@offitkurman.com | 410.209.6449

Offit | Kurman

Fluctuating Workweek

Under the fluctuating workweek method, an employee receives a fixed weekly salary and overtime pay is based on the average hourly rate in a specific workweek. The average hourly rate will change from week to week depending on how many hours the employee actually worked and must always exceed the minimum wage. While this keeps the overtime premium to 0.5 times the hourly rate, it also prevents the employee from reducing pay below the agreed upon threshold when the employee works less than 40 hours in a week.

ONE MINUTE OF OVERTIME
presented by russell berger

Under the fluctuating workweek method, an employee receives a fixed weekly salary and overtime pay is based on the average hourly rate in a specific workweek. The average hourly rate will change from week to week depending on how many hours the employee actually worked and must always exceed the minimum wage. While this keeps the overtime premium to 0.5 times the hourly rate, it also prevents the employee from reducing pay below the agreed upon threshold when the employee works less than 40 hours in a week.