



Monthly Salary Pay

Dear Reader:

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Computing Regular Rate of Pay - Monthly Salary Pay

To compute the regular rate for an employee who is paid monthly, the employee's salary must be multiplied by 12 (the number of months in the year) and divided by 52 (the number of weeks in the year). This figure must then be divided by the number of hours in a workweek. 29 C.F.R. § 778.113(b)

Example:

If an employee earns \$1,500 a month and has a statutory straight-time workweek of 40 hours, the employee's regular rate would be \$8.65: $(\$1,500 \times 12) / 52 = \346.15 per week; $\$346.15 / 40 = \8.65 hourly rate. If the employee worked 44 hours in a workweek, the employee would be entitled to overtime pay for four hours at time and a half: $(\$8.65 / 2 = \4.33 ; $4.33 + 8.65 = \$12.98$ overtime rate), $4 \times \$12.98 = \51.92 . The employee's salary for the month would be \$1,551.92. The employee also might be eligible for half-time treatment if his salary represented all hours worked.

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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