

### Example

Anne has an hourly rate of £8.50 for a 35 hour week. Any overtime is paid at double time. Some weeks she earns a bonus of £25.

Last week she worked for 40 hours and earned a bonus, what was her gross pay?

### Solution

Pay for 35 hours =  $£8.50 \times 35 = £297.50$

Pay for 5 hours overtime =  $£8.50 \times 5 \times 2 = £85$

Bonus = £25

Total Gross pay = £407.50

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### B. Overtime, Bonus and Gross Pay

### Exercise 2

1. Shaminder is a typist in her local council offices. Her basic wage is £10 per hour, but for any overtime she works she gets paid double time.

(a) What is her overtime rate of pay per hour?

(b) One week she worked 5 hours overtime. How much did she get paid for this?

2. Melanie's bosses ask her to work 6 hours overtime. She will get paid time and a half. If her usual hourly rate is £6.80, how much will Melanie get for doing the overtime?

3. Alison is a filing clerkess in the same offices as Shaminder. Her basic wage is £9 perhour and her overtime is at the rate of time and a half.

(a) What is her overtime rate of pay?

(b) One week she worked 4 hours overtime. How much did she get paid for this?

4. Colin is a computer operator. He works a basic 40 hour week and is paid £8.60 per hour. Overtime is paid at double time. One week Colin worked a total of 50 hours.

Find:

(a) his basic pay

(b) his overtime pay

(c) his total gross pay.

5. Rena is a nursery nurse. Her basic rate is £11.50 per hour for a 38 hour week, but at weekends she is paid an overtime rate of double time for looking after the children. Calculate her gross pay for a basic week, plus 6 hours on a Saturday and 4 hours on a Sunday.

6. Irene is a plumber's assistant. She works a 36 hour week at a rate of £6.50 per hour plus any amount of overtime at time and a half.

Calculate her gross pay for a week in which she works her normal hours, plus 10 hours overtime.

7. A hotel porter is paid an hourly rate of £5·16 for a basic 35 hour week. Overtime rates are time and a half for weekdays and double time at weekends. Calculate the gross wage for a porter who works a basic week and the following overtime: Tuesday – 5 hours, Thursday – 1 hour, Sunday – 6 hours.

8. Fred Davis applied for and got this job.  
Calculate:

PART TIME DELIVERY PERSON  
(6p.m. – 11.30p.m.) 6 days per week  
£4·50 per hour + BONUS

- (a) how many hours per week he works.
- (b) how much he earns per week.
- (c) how much he earns altogether in a week in which he gets a £20 bonus.

9. Mary Baker works in a bakery in charge of making birthday cakes. She works a basic 36 hour week for £4·80 per hour and receives a bonus of £1·50 per cake for each cake over the normal 200 she makes in a week.

- (a) What is her basic pay for a week?
- (b) How much of a bonus does she receive if she bakes 250 cakes in a week?
- (c) What would her gross pay be for such a week?

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### ***Deductions and Net pay***

Usually there are deductions made from a person's gross pay. This means that some of the money which the person has earned is taken for income tax, and some for National Insurance. Some people also pay money into a pension fund, and union dues may also be deducted. Once all these deductions have been made, the amount of money left is the 'take home pay' which is also called the 'net pay'.

$$\text{NET PAY} = \text{GROSS PAY} - \text{TOTAL DEDUCTIONS}$$

This box shows a simple way to work out net pay.

First of all add up the basic pay, overtime pay, bonus and any special payments in order to find the total GROSS PAY.

Then add up National Insurance, Income Tax, Pension fund and any other dues to find the TOTAL DEDUCTIONS.

Finally subtract the TOTAL DEDUCTIONS from the GROSS PAY in order to find the NET PAY.

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