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Overtime required when employee holding two jobs works more than 40 hours

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Our school administration has an employee who works as a paraprofessional for 32.5 hours per week and as a bus driver for 20 hours per week. Can we separate her job into two positions that would each require 40 hours of work before she is paid overtime? Currently, we're compensating her for 12.5 hours of overtime per week as blended pay.

The short answer is no. When a company has one employee working two different jobs, it must pay her overtime for all hours over 40 (or eight hours a day in some states) anytime she works more than 40 hours in a workweek (or eight hours in a day where applicable). Typically, the overtime rate is 1.5 times the employee's hourly rate. If an employee has two hourly rates because she works two different jobs, the employer may use a blended overtime rate.

The same rule applies when an employer that operates multiple companies has an employee who works for more than one company with the same owner. This situation is referred to as joint employment. An employee working for two different companies with the same ownership is entitled to overtime when his combined hours exceed 40 in a workweek. The joint-employment rule catches many companies off guard and can result in liability to the employee for back overtime wages and liquidated damages.

You can avoid the expense of overtime by hiring two employees for the two different jobs. One employee would need to work as a paraprofessional for 32.5 hours per week and the other as a bus driver for 20 hours per week. If you choose to maintain the status quo, however, you would have to pay the employee working the two jobs 12.5 hours of overtime each week.

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