



Workshop #9: hh2 Remote Payroll Overtime Rules

This workshop will guide participants through the process of creating and assigning overtime rules in Remote Payroll, so that employees that work over a certain daily or weekly threshold of regular hours will automatically have time allocated to overtime, or double-time respectively.

If at any time you find that you need more thorough Remote Payroll module instruction you can access our user guides [here](#), or please contact support@hh2.com or your implementation specialist for additional assistance.

Understanding Overtime Rules

Overtime rules ensure that employees are fairly compensated for extra hours worked beyond standard schedules, typically defined as over 40 hours in a workweek. In most states, employers must pay overtime at 1.5 times the employee's regular hourly rate, although some states, like California, add double time for hours exceeding 12 in a day or after 8 hours on the seventh consecutive workday. With hh2 Remote Payroll's new overtime and double-time rule feature, admins can set up specific overtime rules tailored to their state or internal company's requirements and automatically allocate employee hours to either overtime or double-time. This tool simplifies compliance and ensures accurate payroll, allowing administrators to assign custom overtime policies to different employees or groups, streamlining payroll calculations across varying schedules and state regulations.

How to Set Up and Use Customized Overtime Rules

To create a new Pay Type Rule for overtime or double-time:

1. Go to the Remote Payroll section and select Pay Type Rules.
2. Click on Create New Rule.
3. Name your rule (e.g., "OT Weekly Rule") based on the overtime policy (daily or weekly).
4. Configuring the Rule:
 - a. Specify the pay type used for regular and then the pay type used for overtime hours.
 - b. Set the overtime threshold, such as "8 hours" for daily overtime, or "40 hours" for weekly overtime.
 - c. Optionally, set up double time by selecting a double time pay type and defining a threshold. The threshold you set for this will assign any hours beyond this threshold

from overtime to double-time instead. For example, if you have a daily overtime rule of 8 hours, and you then set a double-time rule of 4 hours, any hours an employee assigned to this rule worked over 8 hours in a day will be assigned automatically to overtime, but as soon as overtime is exceeded by 4 hours any additional time will automatically assign to the double-time pay type.

5. Applying Rules to Employees:
 - a. Choose the employees to whom the rule will apply. You can select all or specific employees.
 - b. **Note: The system currently supports only one overtime rule per employee. If an employee already has a rule assigned, you will need to confirm if you want to replace it with the new rule.**
6. Saving Your Settings:
 - a. Before saving, a confirmation box will appear if there is an existing rule for selected employees.
 - b. Confirm your changes to apply the new rule.

Effect of the Rule:

- Overtime rules automatically apply based on the setup during payroll processing.
- Users (managers or field laborers) will see overtime applied to timesheets, which can be manually adjusted if necessary.
- Overtime and double-time pay type rules will not work if time is being entered by a payroll manager or administrator and will still need to be manually managed if time is being entered initially by a payroll manager.
- Overtime rules are not retroactive and will only apply to time entered after the rule has been established.

Conclusion

In conclusion, setting up customized overtime and double-time rules in hh2 Remote Payroll allows for accurate, automated payroll calculations that comply with state and company policies. By tailoring these rules to specific employees or groups, admins can streamline payroll processing, reduce errors, and ensure that employees are compensated fairly for extra hours worked. With these features, Remote Payroll simplifies complex pay scenarios, saving both time and effort for administrators while supporting a smooth, compliant payroll process. If further guidance is needed, remember that our [user guides](#), [support team](#), and implementation specialists are available to help!