

Info about Overtime

Challenges are rising, while time is getting short... What are the options?

Definition

Overtime will occur if the weekly or daily normal working hours are exceeded, as per Working Time Act.

According to law an employee's normal working hours are 8 hours per day and 40 hours per week. Since September, 1st 2018 it is not allowed to exceed the total working hours of 12 hours per day and 60 hours per week. (§9 Abs. 1 AZG) This means that

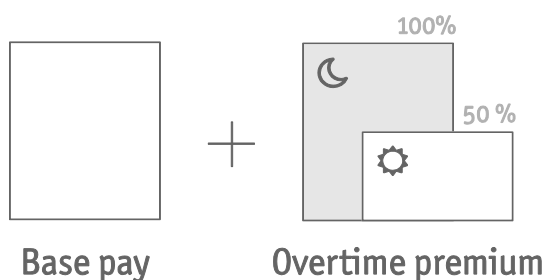
- up to 4 overtime hours per day are allowed,
- and in total 20 overtime hours per week are allowed.

In a period of 17 weeks the average of the weekly working hours has to be 48 hours at most. In the applicable collective agreement this 17-weeks-period can be extended up to 52 weeks.

Pay & Taxes

Overtime can be reimbursed as a lump sum, as part of the salary or by taking time off in lieu.

The remuneration always consists of a base pay and an overtime premium:



Calculation:	According to collective agreement, usually hourly rate	According to collective agreement, usually: working days, daytime 50% working days, at night 100% sundays and holidays 100% (within the normal working time)
Taxes:	Payroll tax	For up to 10 hours a month a 50% overtime premium is taxfree - max. € 86.00 a month. For night work or work on Sundays or holidays € 360.00 a month are taxfree, resp. € 540.00 in case that the employee works predominantly from 7pm and 7am. If the surcharges exceed the tax exempt amounts, payroll tax applies.

To benefit from the tax exemptions described above the following criteria must be met:

- 1) **Accurate records** (date & time of work start and work end)
- 2) The overtime premium has to be granted **in addition** to basic pay,
- 3) Night work is only applicable if the employee works at least **3 hours straight** and it is operationally necessary to work between 7pm and 7am.

