



Guidelines for workers and employers

# Overtime



Labour & Human Resource Department  
Government of the Punjab



## **What is overtime?**

Overtime is the additional work performed by a worker beyond his or her normal working hours. The employees are entitled to receive extra payment for the overtime performed by them.

---

## **Who is eligible to get overtime?**

The employees who work more than 48 hours in a week or nine hours a day are eligible to get overtime for additional work they perform. In case of a seasonal factory, this limit is 50 hours. There is a limit of 150 hours per year for the overtime in case of adult workers and 100 hours in case of a young person (age 15-17).

The employees working in factories, and commercial establishments are covered by the laws on overtime. However there are certain exemptions for some sectors like public servants, transport workers, mine workers, newspaper employees, where separate provisions have been made for overtime work.

---

## **What is the rate of overtime payable to employees eligible for it?**

The overtime must be paid at a higher rate, at a minimum of 2 times the regular pay rate. There is no restriction on payment of higher than double the wage rate on the employers, so they can offer higher rates to their workers if they want.

---

## **Is it voluntary or compulsory for a worker to work overtime?**

Any adult worker is under an obligation to work overtime whenever asked by the employer to do so. So it is not voluntary. However, in case a person cannot perform overtime work he or she is supposed to come out with a valid excuse regarding his or her inability to do so.

---

## **Is the calculation of overtime based on basic salary?**

Overtime is calculated on the basis of ordinary daily rate of pay. This means for calculation of the daily rate of pay the regular wages like basic pay, house rent, traveling allowance and regular allowances are included in the wages. Bonuses and occasional benefits etc. are not included.



## How is overtime calculated?

A simple method to calculate overtime rate is to first work out gross hourly pay rate of an employee and then multiply it by 2. The resulting figure can be multiplied by the number of overtime hours to calculate the amount payable to an employee.

Over time per hour =

$$\frac{\text{Gross monthly salary or wages} \times 2 \times \text{number of hours of overtime}}{26 \text{ work days} \times 8 \text{ hours a day}}$$

Or

$$\frac{\text{Gross monthly salary or wages} \times 2 \times \text{number of hours of overtime}}{26 \times 8}$$

For example in case of Rs. 10,000 per month gross salary and 10 hours of overtime in month, the total over time payment can be calculated as

$$\frac{10000 \times 2 \times 10}{26 \times 8} = \text{Rs. 961}$$

## Which laws cover payment of overtime to workers?

The labour laws which provide a framework for payment of overtime include:

- » Payment of Wages Act, 1936
- » The Shops & Establishments Ordinance (1969)
- » The Factories Act, 1934

## Is there any forum that entertains complaints against non-payment of overtime?

If an employer is not paying full salary, which may include overtime, a person may approach the government authority (which most of time is Commissioner for Workmen Compensation who is also the Authority under Payment of Wages) for redressal of the complaint. Such applications can be filed either individually or collectively. These authorities are present in each district. One can visit or phone one's respective District Officer Labour for facilitation in this regard.

## What is the punishment for refusing to pay overtime to workers?

The Authority under Payment of Wages can award a decree for the payment of due overtime in favour of the complainant.



For more information

visit: [www.ciwce.org.pk](http://www.ciwce.org.pk)

you can download this leaflet as well as other awareness materials on labour laws from our website



For complaints and inquiries

Call toll Free: **0800 33 888**

or visit the office of District Officer (Labour)  
in your district

A publication of

**LABOUR AWARENESS CELL**

Directorate of Labour Welfare,  
Labour & Human Resource Department  
Government of the Punjab



[www.ciwce.org.pk](http://www.ciwce.org.pk)



[info@ciwce.org.pk](mailto:info@ciwce.org.pk)

Authors:

Saeed Ahmed Awan, Director IRI  
Azeem Shakir, Assistant Director, IRI  
Syed Hasnat Javed, Joint Director Labour

Review: