



Pyramiding of Overtime Rates

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How many times do you count this hour?

The [Category I](#) “Shift Clause” has a provision that states, “There shall be no pyramiding of overtime rates” and the question comes up occasionally asking what “pyramiding” means.

Simply put, pyramiding refers to counting the same hour more than once when calculating overtime pay or applying multiple premiums to the same hour. While this is not a common occurrence today, in the mid-1970s, it was not uncommon.

To illustrate, consider an agreement that says, “Eight hours work between the hours of 8:00 a.m. and 4:30 p.m., with 30 minutes for a lunch period between noon and 12:30 p.m., shall constitute the workday. Five such days, Monday through Friday, shall constitute the workweek. All work performed outside of the stated hours, in excess of 8 hours in a day, in excess of 40 hours in a week, and on Saturday shall be paid at time and one-half of the regular straight-time rate. Sundays and the following holidays shall be paid at double the straight-time rate: New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Christmas Day, _____ or, days celebrated as such.”

On Friday afternoon, it was decided to work an additional hour to tie up all the loose ends before the weekend.

What are the workers paid?

The immediate response is, they get time and one-half for that one hour of overtime. And that is the correct response. However, under the concept of pyramiding, they would be entitled to more. First, they would be entitled to time and one-half because the work was outside of normal work hours. Second, they would be entitled to time and one-half because they had worked more than eight hours in the day. Third, they would be entitled to time and one-half because they had worked more than forty hours in the week. So, they would get $1\frac{1}{2}$ times $1\frac{1}{2}$ times $1\frac{1}{2}$ times the straight time rate of pay or something just over triple time ($3\frac{3}{8}$ time). If any of them happened to be in a bosun's chair, 90 feet above the ground, that might be doubled.

At the time the shift clause was negotiated, NECA and the IBEW wanted to make it clear that any local understandings on pyramiding overtime rates could not be applied to shift hours, workers would not get an additional premium because the second and third shifts were outside normal work hours. But this provision only applies to shift work.

When the Optional Four-Tens language was introduced, there were a number of questions about overtime. Under that provision overtime is paid “After 10 hours in a workday, or 40 hours in a workweek.” If employees worked twelve hours on Tuesday, they would be entitled to 2 hours of

overtime for working more than ten hours in a day. At the end of a full week, they would have worked a total of 42 hours. Are they also entitled to an additional two hours of overtime pay for those hours? Some workers argued that they were, however, the CIR established from the outset that “or” means “or” and you get overtime for working over eight hours in a day, or you get overtime for working over 40 hours in a week, but you don’t get it twice.

Pyramiding has faded from the scene in our industry but claims and questions continue to arise. Chapters should review their overtime provisions and attempt to clarify language where necessary to prevent pyramiding situations or negotiate the same language as the shift clause to cover local overtime provisions.

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