

How to Apply Different Pay Rates to a Single Resource

Suppose you must apply three different Pay rates for a Resource on a Task in **MICROSOFT PROJECT**. Here is an example:

John is working on task, and it will have Duration = 14 days! John will work from Monday to Sunday 12 hours per day! Regular work is 8 hours per day, and 4 hour per day are overtime work. BUT! Every Sunday John will earn double time fee.

OK! First we have to SETUP our Regular work:



then:

Project Options

- General
- Display
- Schedule**
- Proofing
- Save
- Language
- Advanced
- Customize Ribbon
- Quick Access Toolbar
- Add-Ins
- Trust Center

Change options related to scheduling, calendars, and calculations.

Calendar options for this project: Project1

Week starts on: Monday

Fiscal year starts in: January

Use starting year for FY numbering

Default start time: 8:00

Default end time: 16:00

Hours per day: 8

Hours per week: 40

Days per month: 20

These times are assigned to tasks when you enter a start or finish date without specifying a time. If you change this setting, consider matching the project calendar using the Change Working Time command on the Project tab in the ribbon.

Schedule

Show scheduling messages

Show assignment units as: Percentage

Scheduling options for this project: Project1

New tasks created: Auto Scheduled

Auto scheduled tasks scheduled on: Project Start Date

Duration is entered in: Days

Work is entered in: Hours

Default task type: Fixed Units

New tasks are effort driven

Autolink inserted or moved tasks

Split in-progress tasks

Update Manually Scheduled tasks when editing links

Tasks will always honor their constraint dates

Show that scheduled tasks have estimated durations

New scheduled tasks have estimated durations

Keep task on nearest working day when changing to Automatically Scheduled mode

OK

Cancel

Now I will setup working time in my Calendar:

The screenshot displays the Microsoft Project interface with the 'Project' menu open. The 'Change Working Time' dialog box is the central focus, showing the 'Standard (Project Calendar)' selected. A calendar grid for January 2012 is visible, with the 26th highlighted. The 'Work Weeks' tab is active, showing a table with one entry: '[Default]' with start and finish times of 'NA'. The 'Details for [Default]' dialog is open, showing 'Monday' selected and working times set from 8:00 to 16:00.

Change Working Time Dialog:

- For calendar: Standard (Project Calendar)
- Calendar 'Standard' is a base calendar.
- Legend:
 - Working
 - Nonworking
 - 31 Edited working hours
 - 31 Exception day
 - 31 Nondefault work week
- On this calendar:
 - 31 Exception day
 - 31 Nondefault work week
- Click on a day to see its working times:
 - January 2012
 - Working times for 26 January 2012: 8:00 to 16:00
 - Based on: Default work week on calendar 'Standard'.
- Exceptions: Work Weeks
- Table:

Name	Start	Finish
1 [Default]	NA	NA
- Details... button

Details for '[Default]' Dialog:

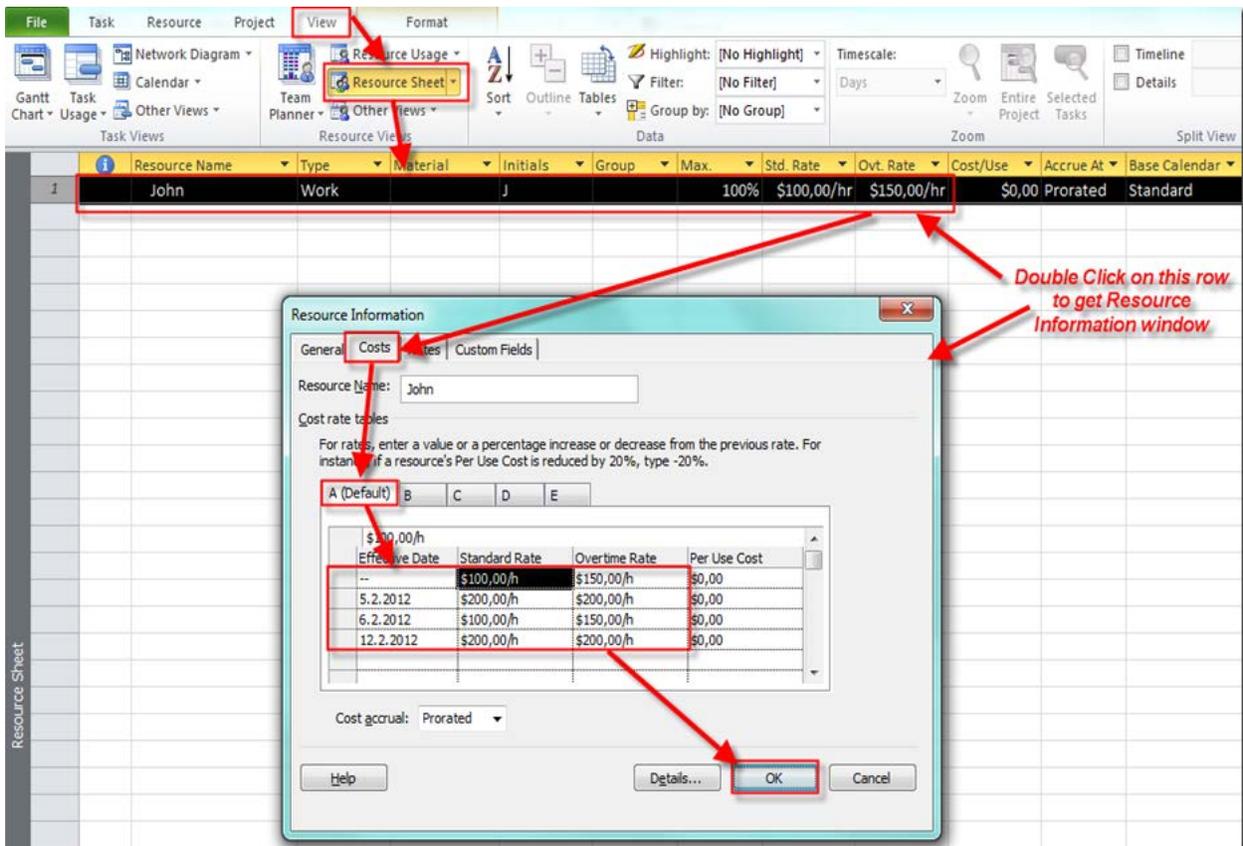
- Set working time for this work week
- Select day: Monday
- Use Project default times for these days. (Unselected)
- Set days to nonworking time. (Unselected)
- Set day(s) to these specific working times. (Selected)
- Table:

	From	To
1	8:00	16:00
- OK button

I will add a brand new Task in my Project:



Now I will add John as Resource:



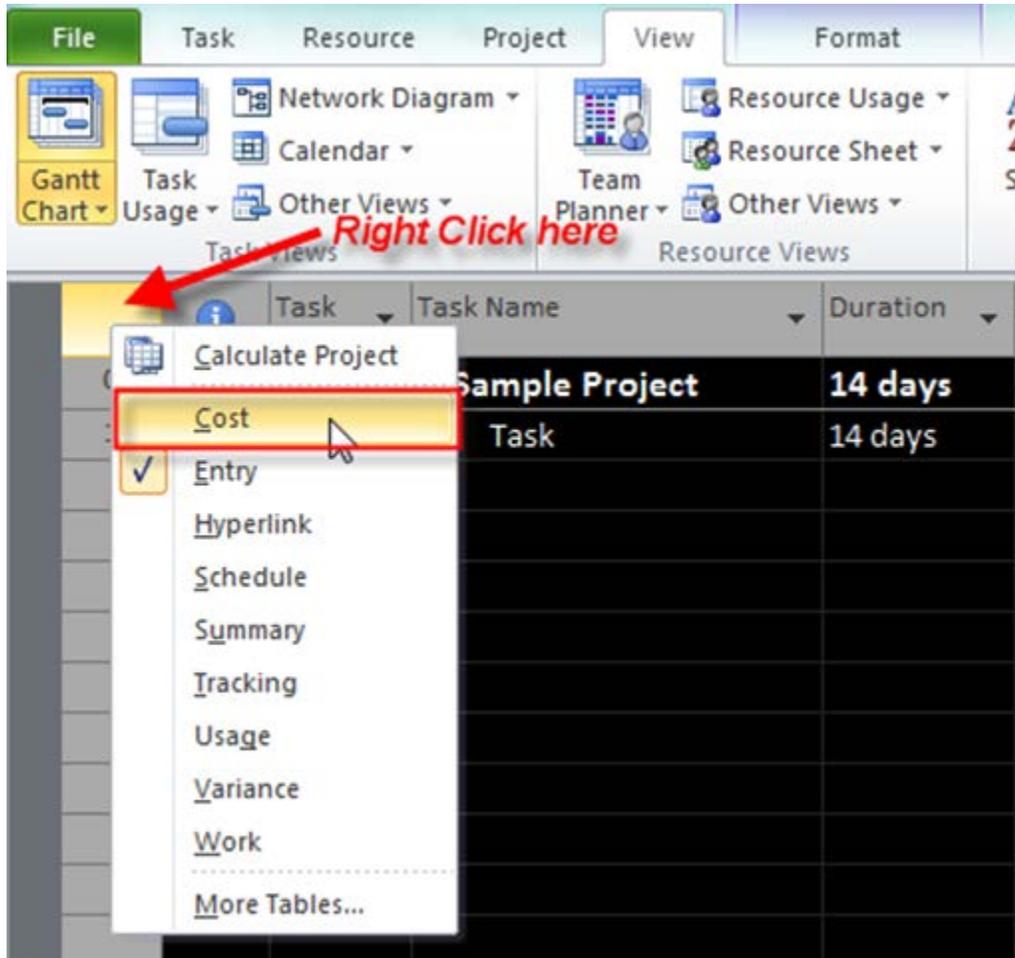
Notice the figures in Cost Rate Table:

- From Project start 06/30/2014 John will be paid \$100 per hour for Standard work (8 hours per day), and \$150 for Overtime work (4 hours per day)
- At Sunday, 07/06/2012 John will be paid \$200 per hour for Standard work (8 hours per day), and Overtime work (4 hours per day). This is what we can call Double Time Rate
- From Monday till Saturday (07/07/2014-07/12/2014) John will be paid \$100 per hour for Standard work (8 hours per day), and \$150 for Overtime work (4 hours per day)
- At Sunday, 07/13/2014 John will be paid \$200 per hour for Standard work (8 hours per day), and Overtime work (4 hours per day). This is what we can call Double Time Rate

OK! Now I will assign John to the Task:

	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Resource Names
0		Sample Project	14 days	30.1.2012	12.2.2012		
1		Task	14 days	30.1.2012	12.2.2012		John

Now I will choose the Cost Table:



and I will get:

	Task Name	Fixed Cost	Fixed Cost Accrual	Total Cost	Baseline	Variance	Actual	Remaining
0	Sample Project	\$0,00	Prorated	\$12.800,00	\$0,00	\$12.800,00	\$0,00	\$12.800,00
1	Task	\$0,00	Prorated	\$12.800,00	\$0,00	\$12.800,00	\$0,00	\$12.800,00

Total Cost is \$12,800! Why?

- From Monday, 06/30/2014 till Saturday, 07/05/2014 (6 days × 8 hours per day = 48 hours), pay rate is \$100. 48 hours × \$100 = \$4,800
- At Sunday, 07/06/2014, pay rate is \$200. 8 hours × \$200 = \$1,600
- From Monday, 07/07/2014 till Saturday, 07/12/2014 (6 days × 8 hours per day = 48 hours), pay rate is \$100. 48 hours × \$100 = \$4,800
- At Sunday, 07/13/2014, pay rate is \$200. 8 hours × \$200 = \$1,600
- \$4,800 + \$1,600 + \$4,800 + \$1,600 = \$12,800

Here is the Task Usage:

Task Mode	Task Name	Duration	Start	Finish	Predecessors	Resource Names	Details																																								
0	Sample Project	14 days	30.1.2012	12.2.2012			<table border="1"> <thead> <tr> <th colspan="8">30 Jan '12</th> </tr> <tr> <th>S</th><th>S</th><th>M</th><th>T</th><th>W</th><th>T</th><th>F</th><th>S</th> </tr> </thead> <tbody> <tr> <td></td><td></td><td></td><td>8h</td><td>8h</td><td>8h</td><td>8h</td><td>8h</td> </tr> <tr> <td>Act. W</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>Cost</td><td></td><td></td><td>\$800,00</td><td>\$800,00</td><td>\$800,00</td><td>\$800,00</td><td>\$1,600,00</td> </tr> </tbody> </table>	30 Jan '12								S	S	M	T	W	T	F	S				8h	8h	8h	8h	8h	Act. W								Cost			\$800,00	\$800,00	\$800,00	\$800,00	\$1,600,00
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But, where is the Overtime rate applied? NOWHERE! Why? Remember that you should assign overtime work by your own. That means, if someone will work 12 hours on a task per day, it doesn't mean that MICROSOFT PROJECT will charge 4 extra hours with overtime rate.

Now, I will put overtime work in MICROSOFT PROJECT:

Task Name	Fixed Cost	Fixed Cost Accrual	Total Cost	Baseline	Variance	Actual	Remaining
0 Sample Project	\$0,00	Prorated	\$12.800,00	\$0,00	\$12.800,00	\$0,00	\$12.800,00
1 Task	\$0,00	Prorated	\$12.800,00	\$0,00	\$12.800,00	\$0,00	\$12.800,00

ID	Resource Name	Work	R,D	Leveling Delay	Delay	Scheduled Start	Scheduled Finish
1	John	112h		0d	0d	30.1.2012	12.2.2012

Now I will click anywhere in Task Form, and on the format Tab select Work:

The screenshot shows the Microsoft Project interface. The 'Format' tab is active in the ribbon, and the 'Work' button is highlighted. A red arrow points from the 'Work' button to the 'Work' column in the table below. The table contains the following data:

ID	Resource Name	Work	R/D	Leveling Delay	Delay	Scheduled Start	Scheduled Finish
1	John	12h		0d	0d	30.1.2012	12.2.2012

Click here

and I will get:

The screenshot displays the Microsoft Project interface. At the top, there are menu tabs: File, Task, Resource, Project, View, and Format. Below these are various toolbars including 'Task Form', 'Task Details Form', 'Task Name Form', 'Schedule', 'Work', 'Predecessors & Successors', 'Resources & Predecessors', 'Resources & Successors', 'Cost', 'Notes', and 'Objects'. The main area is a table with columns: Task Name, Fixed Cost, Fixed Cost Accrual, Total Cost, Baseline, Variance, Actual, and Remaining. Below this is a 'Gantt Chart' area. At the bottom, there is a task summary section with fields for Name, Duration, Start, Finish, Task type, and % Complete. Below that is a resource table with columns: ID, Resource Name, Units, Work, Ovt. Work, Baseline Work, Act. Work, and Rem. Work.

Task Name	Fixed Cost	Fixed Cost Accrual	Total Cost	Baseline	Variance	Actual	Remaining
0 Sample Project	\$0,00	Prorated	\$12.800,00	\$0,00	\$12.800,00	\$0,00	\$12.800,00
1 Task	\$0,00	Prorated	\$12.800,00	\$0,00	\$12.800,00	\$0,00	\$12.800,00

ID	Resource Name	Units	Work	Ovt. Work	Baseline Work	Act. Work	Rem. Work
1	John	100%	112h	0h	0h	0h	112h

Now what? John has to work 12 hours per day, and 4 hours will be overtime. 14 days × 12 hours per day = 168 hours. 14 days × 4 overtime hours per day = 56 hours. I will put those figures in Task Form:

The screenshot displays a project management interface. At the top, a Gantt Chart shows a task named 'Task' (ID 1) under a 'Sample Project' (ID 0). The task is highlighted with a red box. Below the Gantt Chart is a 'Task Form' for 'Task'. The form includes fields for Name, Duration (14 days), Start (30.1.2012), Finish (12.2.2012), Task type (Fixed Units), and % Complete (0%). A table below the form shows resource allocation for 'John' (ID 1) with 100% units, 168 hours of work, and 56 hours of overtime work. A red arrow points from the 'Task' row in the Gantt Chart to the 'Task Form'.

ID	Resource Name	Units	Work	Ovt. Work	Baseline Work	Act. Work	Rem. Work
1	John	100%	168	56	0h	0h	112h

and I will get:

The screenshot shows the Microsoft Project interface. The main table displays task costs:

Task Name	Fixed Cost	Fixed Cost Accrual	Total Cost	Baseline	Variance	Actual	Remaining
0 Sample Project	\$0,00	Prorated	\$21.600,00	\$0,00	\$21.600,00	\$0,00	\$21.600,00
1 Task	\$0,00	Prorated	\$21.600,00	\$0,00	\$21.600,00	\$0,00	\$21.600,00

The task details at the bottom show:

- Name: Task
- Duration: 14 days
- Start: 30.1.2012
- Finish: 12.2.2012
- Task type: Fixed Units
- % Complete: 0%

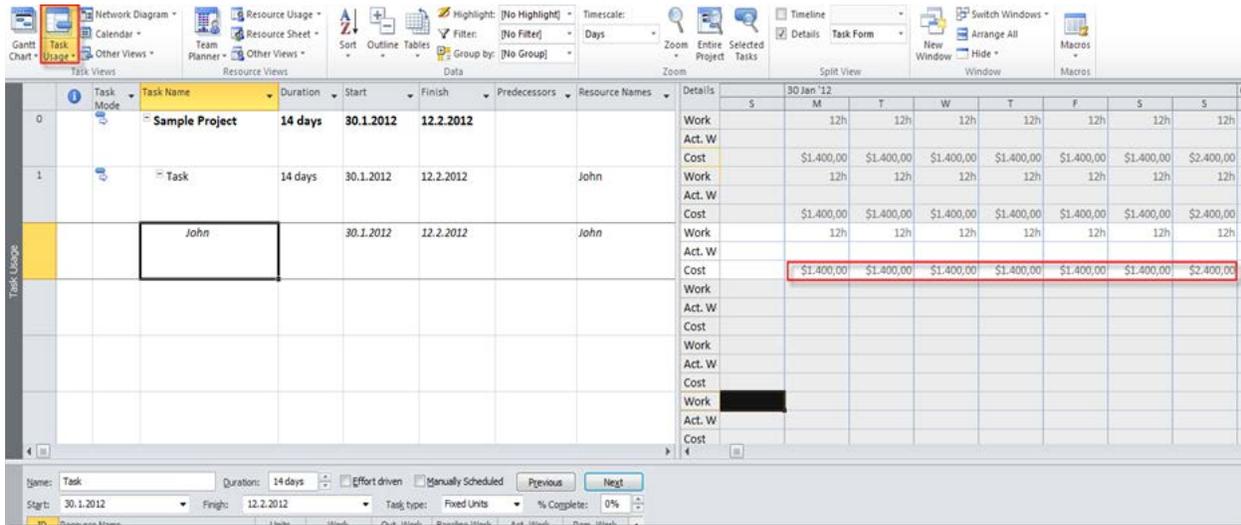
The resource table below shows the following data:

ID	Resource Name	Units	Work	Ovt. Work	Baseline Work	Act. Work	Rem. Work
1	John	100%	168h	56h	0h	0h	168h

Now, the Total Cost is \$21,600! Why?

- From Monday, 06/30/2014 till Saturday, 07/05/2014 (6 days × 8 regular hours per day = 48 hours hours), regular pay rate is \$100. 48 hours × \$100 = \$4,800
- From Monday, 06/30/2014 till Saturday, 07/05/2014 (6 days × 4 overtime hours per day = 24 hours), overtime pay rate is \$150. 24 hours × \$150 = \$3,600
- At Sunday, 07/06/2014, pay rate is \$200 (regular and overtime). 12 hours × \$200 = \$2,400
- From Monday, 07/07/2014 till Saturday, 07/12/2014 (6 days × 8 regular hours per day = 48 hours hours), regular pay rate is \$100. 48 hours × \$100 = \$4,800
- From Monday, 07/07/2014 till Saturday, 07/12/2014 (6 days × 4 overtime hours per day = 24 hours), overtime pay rate is \$150. 24 hours × \$150 = \$3,600
- At Sunday, 07/13/2014, pay rate is \$200 (regular and overtime). 12 hours × \$200 = \$2,400
- \$4,800 + \$3,600 + \$2,400 + \$4,800 + \$3,600 + \$2,400 = \$21,600

Let's look at the Task Usage View:



You can see that Cost per day (except Sunday) is \$1,400. (8 hours × \$100) + (4 hours × \$150) = \$1,400. At Sunday Cost is 12 hours × \$200 = \$2,400.