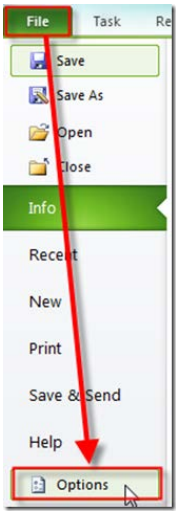
How to Apply Different Pay Rates to a Single Resource

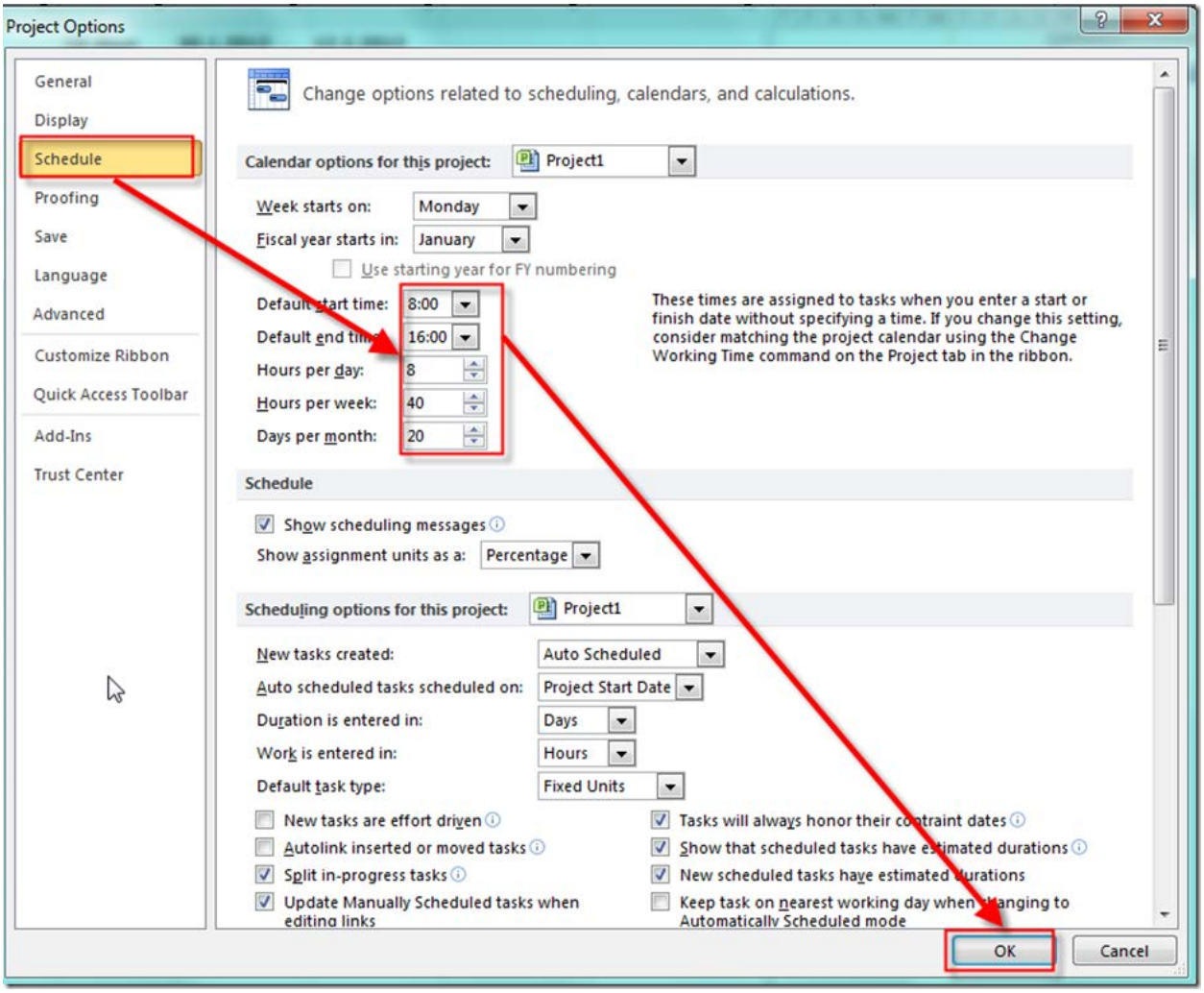
Suppose you must apply three different Pay rates for a Resource on a Task in **MICROSOFT PROJECT**. Here is an example:

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.

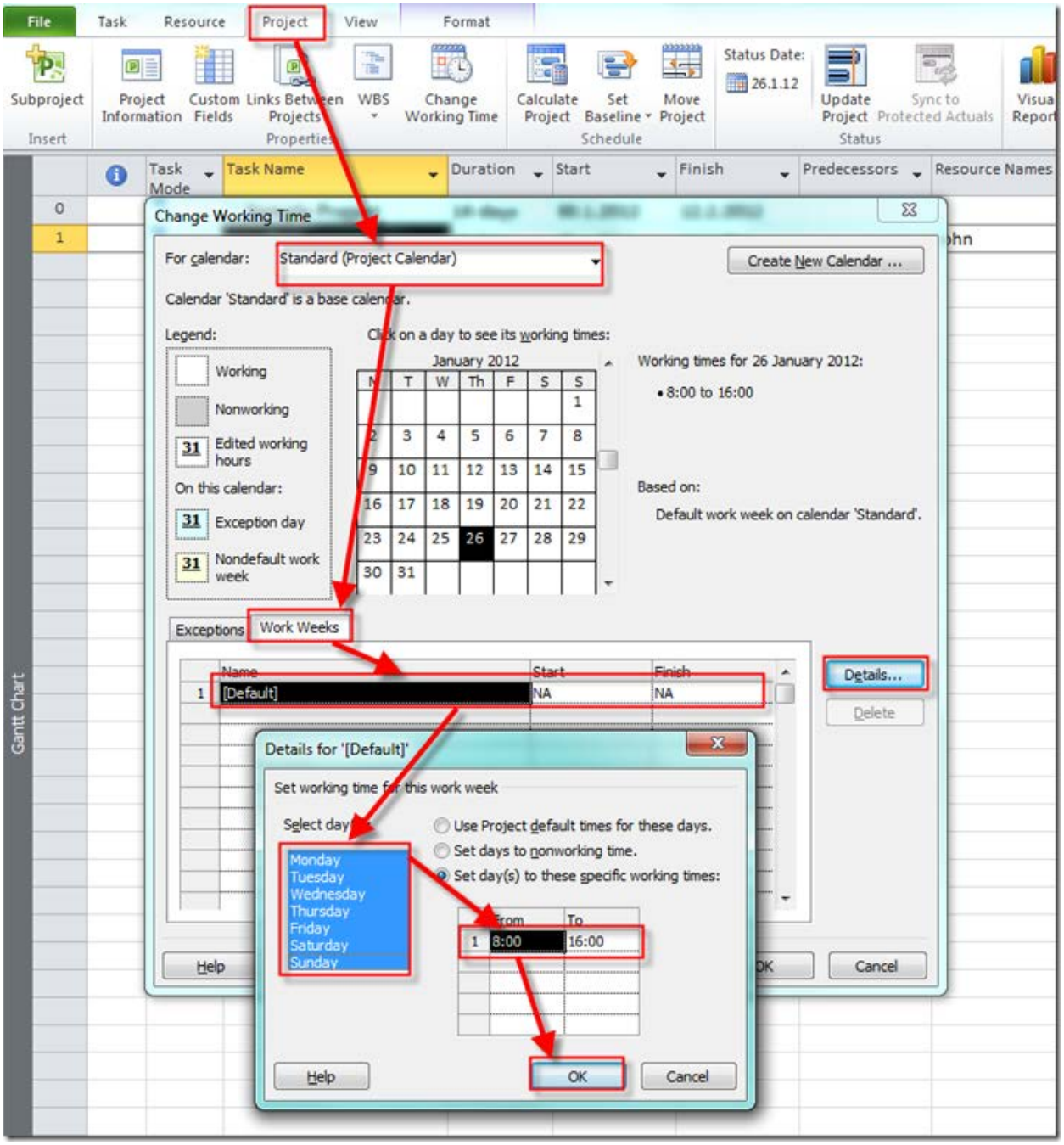
OK! First we have to SETUP our Regular work:



then:

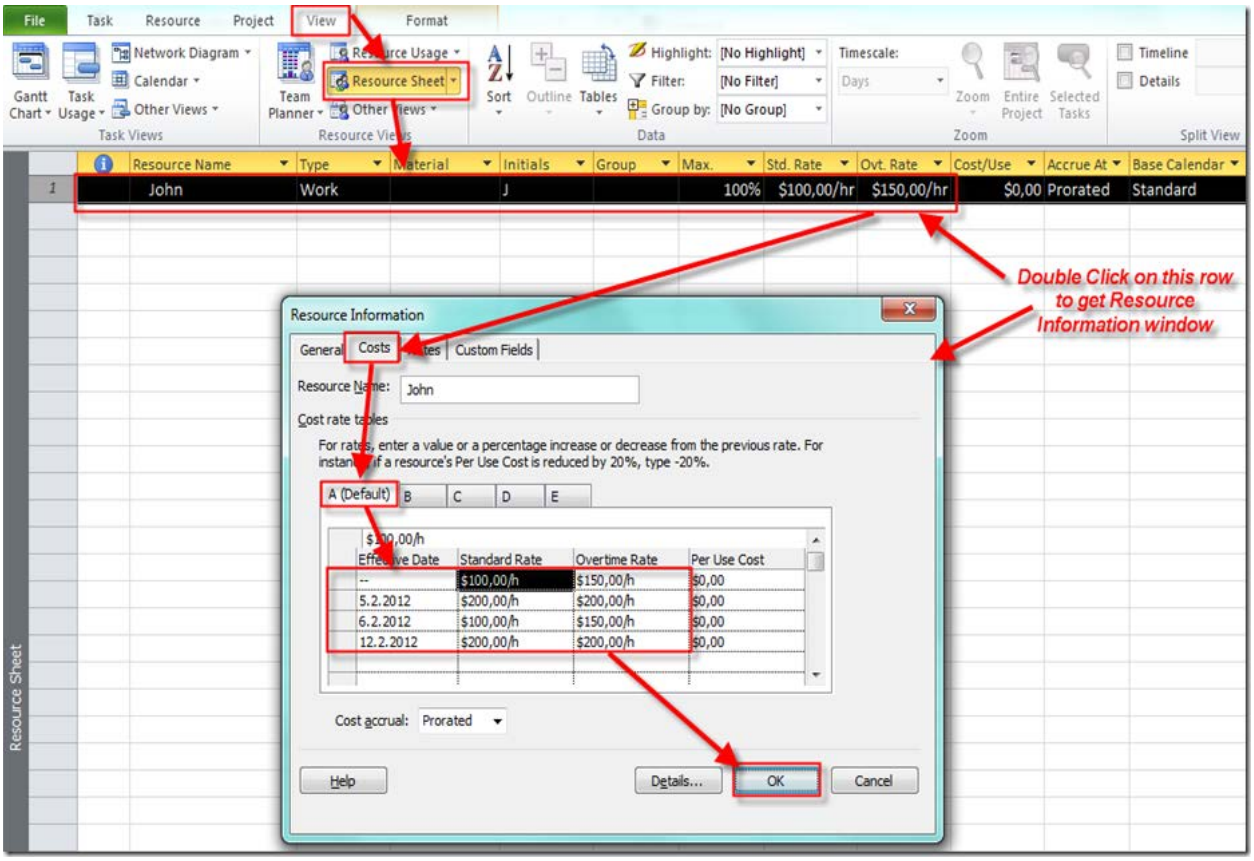

Project Options
General
Display
Schedule
Proofing
Save
Language
Advanced
Customize Ribbon
Quick Access Toolbar
Add-Ins
Trust Center
Change options related to scheduling, calendars, and calculations.
Calendar options for this project:
Project1
Week starts on:
Monday
Fiscal year starts in:
January
Use 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 a:
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:



I will add a brand new Task in my Project:

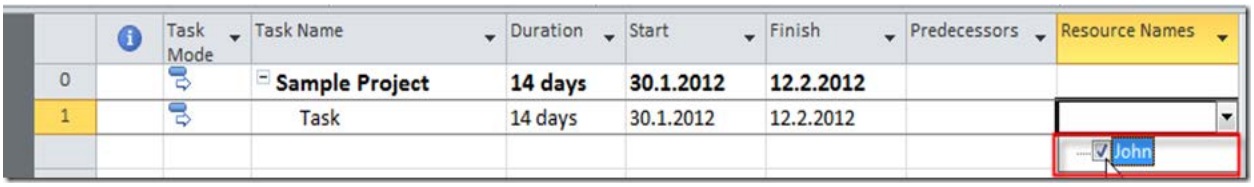
Now I will add John as Resource:



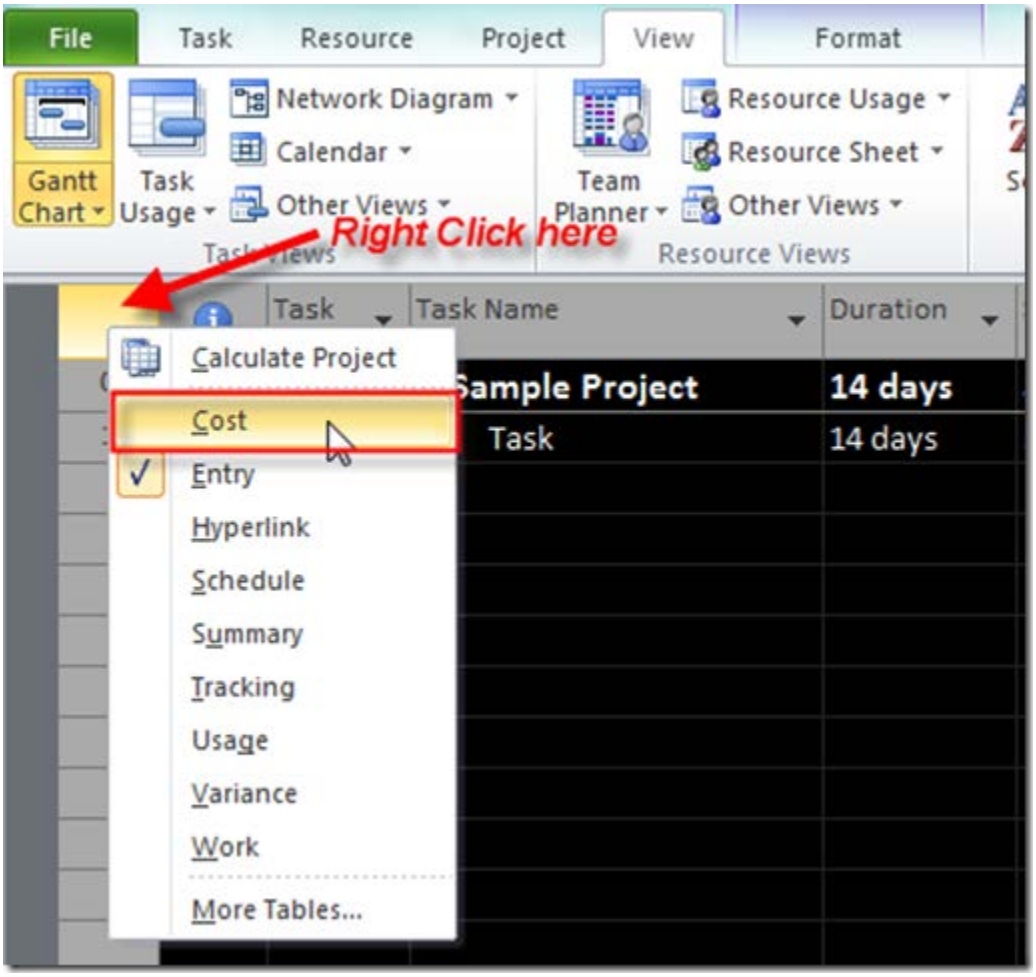
Notice the figures in Cost Rate Table:

- 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

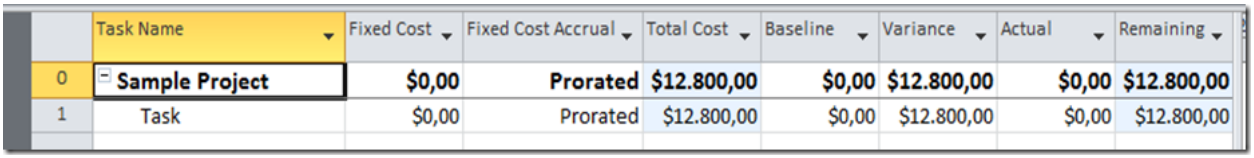
OK! Now I will assign John to the Task:



Now I will choose the Cost Table:



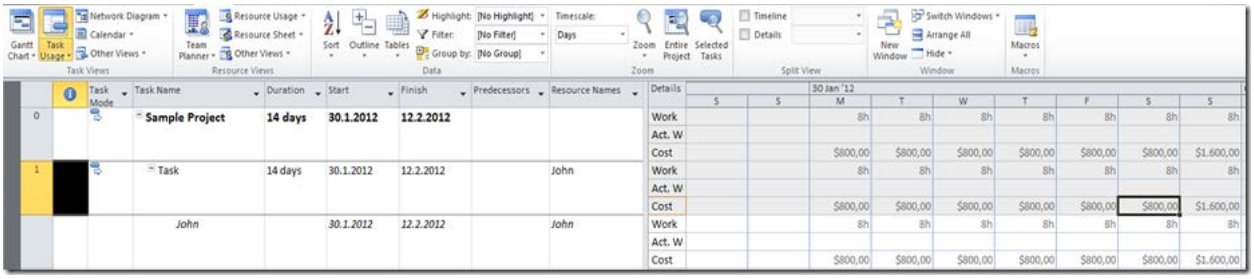
and I will get:



Total Cost is $12,800! Why?

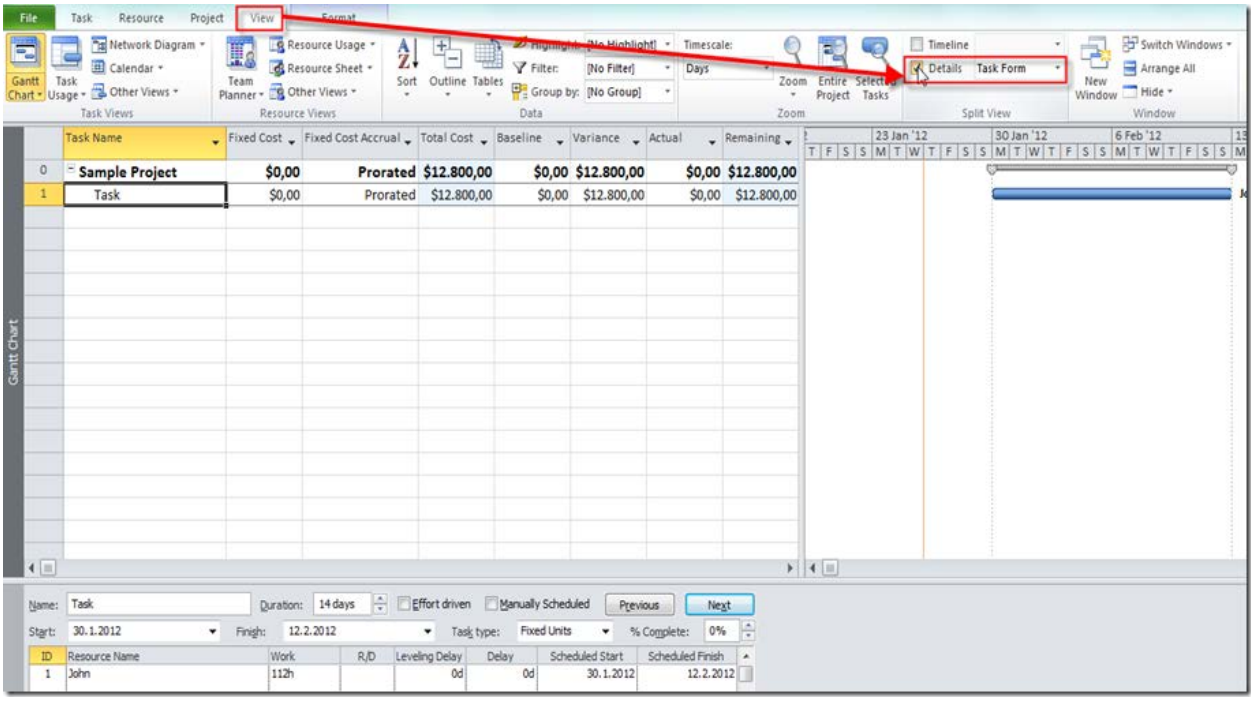
- From Monday, 06/30/2014 till Saturday, 07/05/2014 (6 days × 8 hours per day = 48 hours), pay rate is $100. 48 hours × $100 = $4,800
- At Sunday, 07/06/2014, pay rate is $200. 8 hours × $200 = $1,600
- From Monday, 07/07/2014 till Saturday, 07/12/2014 (6 days × 8 hours per day = 48 hours), pay rate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

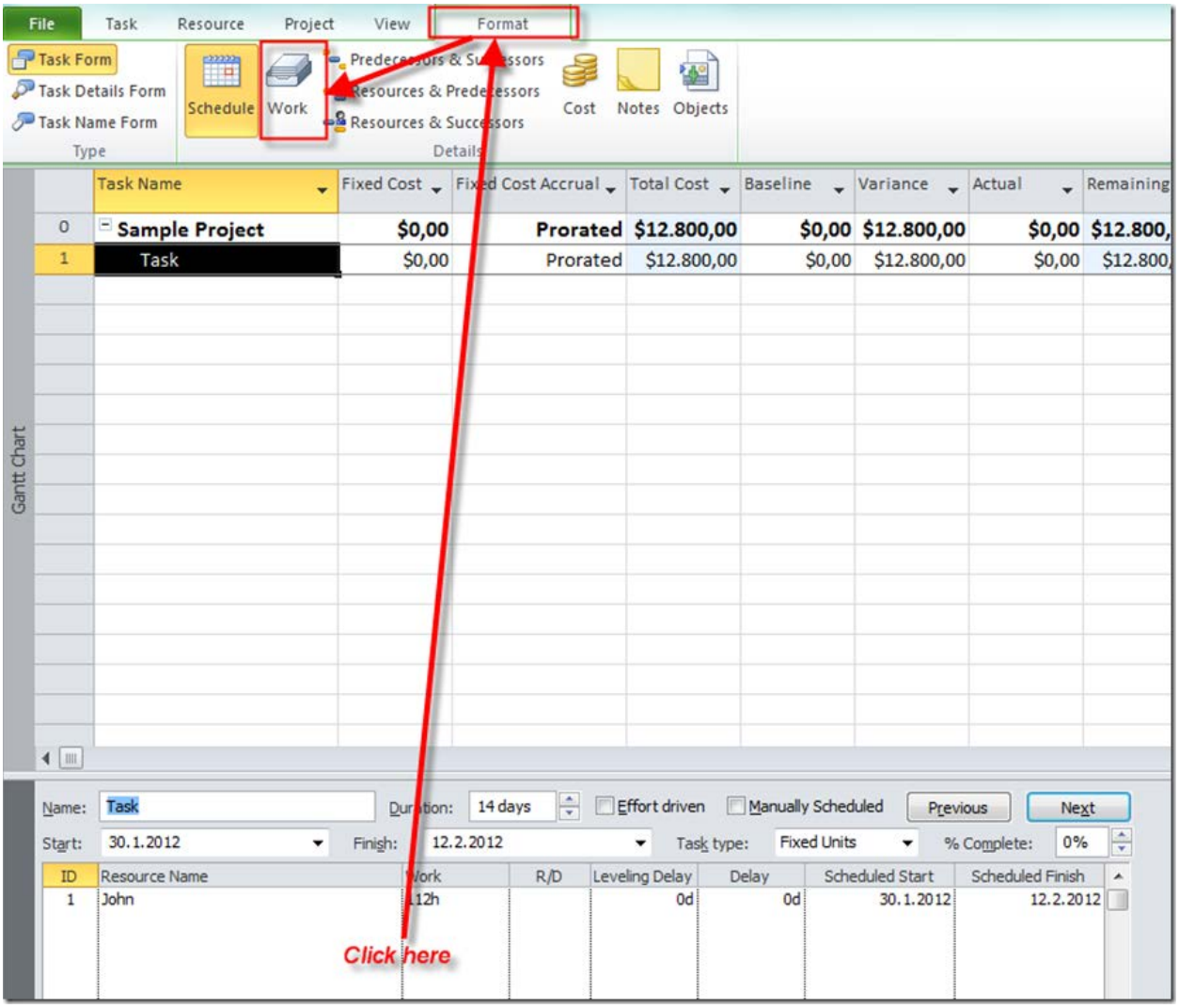


But, where is the Overtime rate applied? NOWHERE! Why? Remember that you should assign overtime work by your own. That means, if someone will work 12 hours on a task per day, it doesn't mean that MICROSOFT PROJECT will charge 4 extra hours with overtime rate.

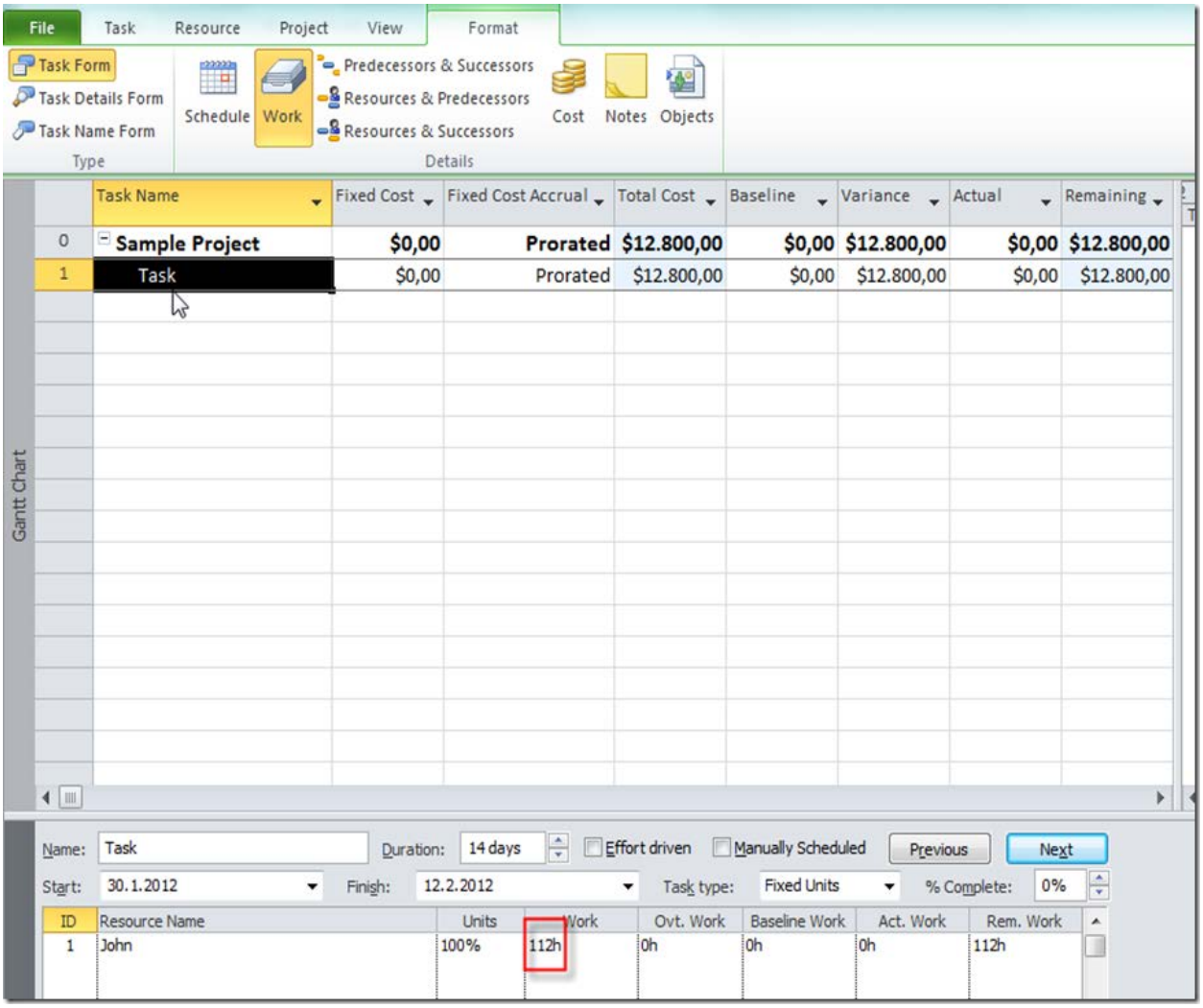
Now, I will put overtime work in MICROSOFT PROJECT:



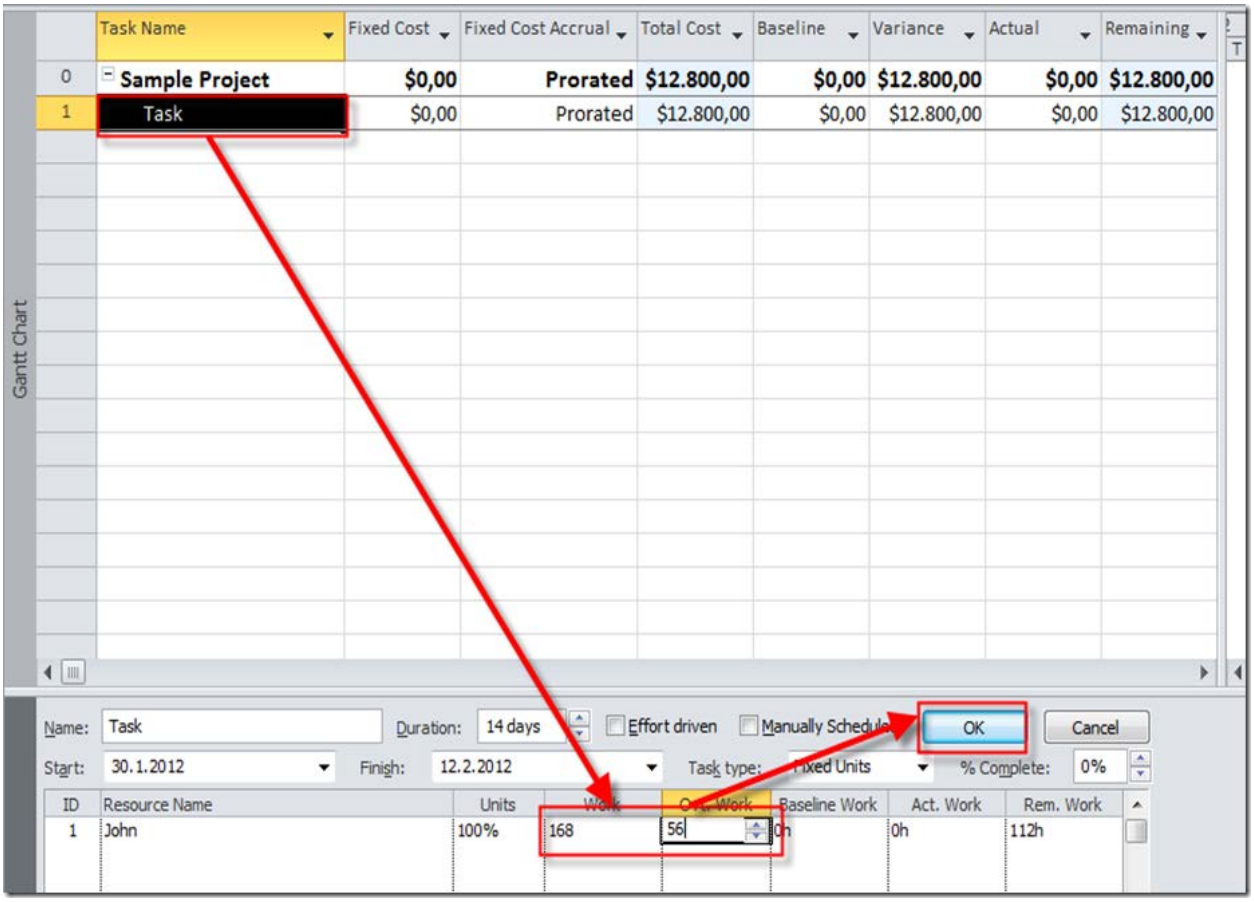
Now I will click anywhere in Task Form, and on the format Tab select Work:



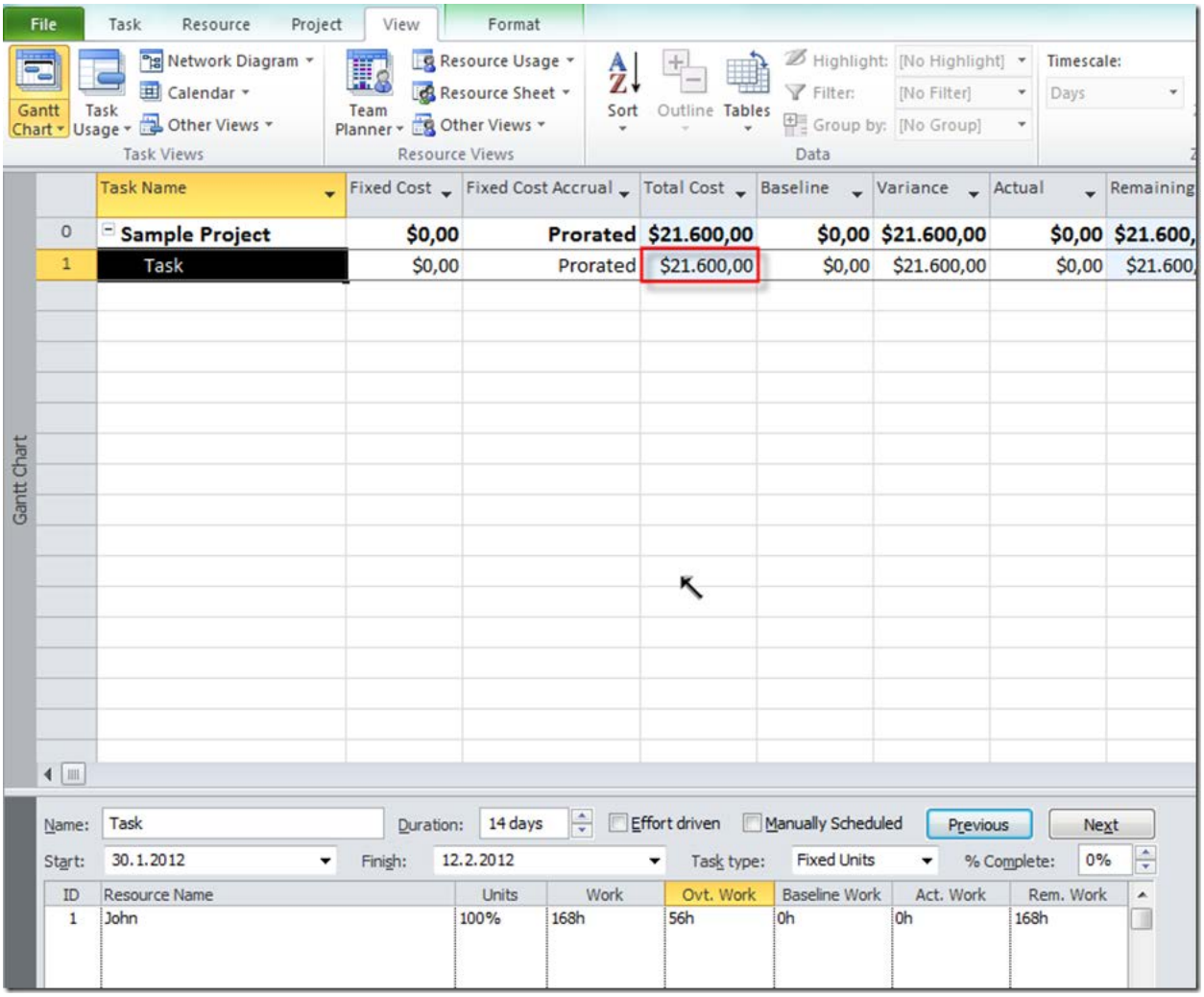
and I will get:



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:



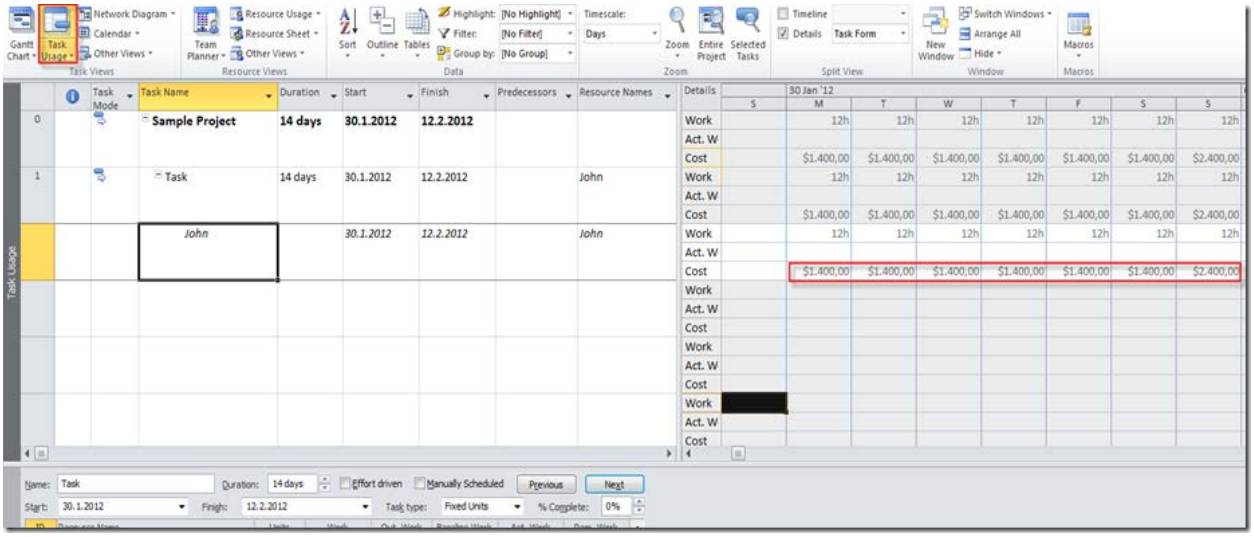
and I will get:



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.