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# US expands pay options for employees with varied workweeks

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A final [rule issued](#) by the US Department of Labor (DOL) allows employers to offer bonuses or other incentive-based pay to employees whose hours vary week to week. The rule revises the regulation for computing overtime compensation of salaried, nonexempt employees with a varying work schedule or fluctuating workweek under the Fair Labor Standards Act (FLSA) and is effective 60 days after publication in the federal register.

The final rule clarifies that bonuses, premium payments, commissions and hazard pay — on top of fixed salaries — are compatible with the fluctuating workweek method of compensation, and employers must include supplemental payments when calculating the regular rate of pay as appropriate under the FLSA. It includes examples and minor revisions to make the rule easier to understand.

The DOL addressed the current challenges employers face from the effects of COVID-19, noting that “the rule enhances flexibility to provide hazard pay, and to promote health and safety in the workplace through flexible work schedules that stagger start and end times and implement social distancing in the workplace.”

## Related resources

- [Final rule](#) (Department of Labor, 20 May 2020)
- [Press release](#) (DOL, 20 May 2020)
- [Press release](#) (DOL, 20 May 2020)

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