

PAYMENT OF OVERTIME ALLOWANCE

- ‘Overtime’ means the number of hours of work carried out in excess of the normal hours of work.



- ‘Normal hours of work’ means the number of hours of work as agreed in the contract of service to be the usual hours of work per day. It should not exceed the limits as prescribed under the Act.

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After the commencement of the Employment Act 1955, the employees are entitled to overtime wages, even if the contract of employment is silent or contrary to the payment of overtime wages.



It must be noted that an employee is entitled to overtime wages even though contract of employment is silent or contrary to payment of wages.

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- After the commencement of the Employment Act 1955, the employees are entitled to overtime wage, even if the contract of employment is silent or contrary to the payment of overtime wages.
- In *Eng Giap Public Motor Bus Co. Ltd. v Gan Eng Keng & 36 Ors* [1975] 1 MLJ 106, the claim for the recovery of overtime wages was made by the respondent in pursuance of Section 60A(3) of the Employment Ordinance 1955.



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- The respondent had not signed any written contract with the appellants; however there was verbal agreement on conditions of service.
- They were told that they would be paid a certain amount of wages, but the hours of work were not specified and they were working 12 hours a day for a certain amount.
- The Federal Court further held that the respondents were entitled to wages for 2 hours of overtime work per day but not to 4 hours of overtime work as held by the Labour Officer.

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How many hours of overtime work in any one month is an employee permitted to work under the Employment Act 1955?

An employee is permitted to work up to a limit of 104 hours of overtime in any one month. This excludes overtime work on rest day, or any of the ten chosen gazetted public holidays.

[Employment (Limitation of Overtime Work)
Regulations 1980]

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What rate should an employee who works overtime be paid?

He shall be paid at a rate not less than one and a half times his hourly rate of pay.

[s60A(3)(a)]