



## Question of the Week

January 21, 2026

### Question

How do I calculate overtime when an employee takes PTO and gets paid for more than 40 hours in the workweek?

### ANSWER

You're only required to pay overtime when a nonexempt employee *works* more than 40 hours in a workweek. Paid time the employee didn't work—such as vacation, paid holidays, or sick leave—doesn't count towards hours worked for overtime purposes.

A couple of examples:

- If an employee takes 8 hours of sick leave on Monday, then works four 10-hour shifts on Tuesday through Friday, they would be paid for 48 hours total: 8 sick leave hours at straight time and 40 worked hours at straight time. Because the employee only *worked* 40 hours, no overtime is owed.
- If an employee is paid 8 hours for a non-working holiday on Monday, then works five 10-hour shifts on Tuesday through Saturday, they would be paid for 58 hours total: 8 holiday hours at straight time, 40 worked hours at straight time, and 10 overtime hours for the hours worked over 40 in the workweek.

Overtime rules can vary by location, so check your [state or local laws](#) for additional requirements.

*This Q&A does not constitute legal advice and does not address state or local law.*