Regular Rate (used in the calculation of overtime for non-exempt employees)

The regular rate of pay is the employee’s hourly rate. The regular rate may also include additional compensation received by an employee which the FLSA requires be included as total earnings and part of the regular rate.

Examples:

- Regular rate includes:
  - All hourly wages
  - Acting Rates
  - Shift differentials
  - On-call pay
  - Bonuses promised for quantity and quality of work (e.g., incentive, sales commission, good attendance)

- Examples of “statutory exclusions” from the regular rate include:
  - Payments for time not worked
  - Discretionary bonuses
  - Other premium payments
  - Reimbursement for business expenses, e.g., tolls, meals
  - Amounts paid as gifts, not based on hours worked, production, or efficiency
  - Employer-paid benefits

The Fair Labor Standards Act (FLSA) formula for determining the regular rate is:

Total earnings (minus exclusions) divided by Total number of hours worked.

For more information on the calculation of the regular rate, please contact the Compensation Office.