ARTICLE 46-03
CALCULATION OF A REGULAR RATE AND OVERTIME

Chapter
46-03-01 Calculation of a Regular Rate and Overtime

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Section
46-03-01-01 Formulas for Determining Regular Rate and Overtime

46-03-01-01. Formulas for determining regular rate and overtime.

1. Determining overtime from an hourly rate:

Hourly rate x 1.5	=	Overtime hourly rate of pay		
Overtime hourly rate of pay	x	Number of hours worked in excess of 40	=	Amount of overtime due

2. Determining hourly rate and overtime from monthly salary:

$$\frac{\text{Monthly salary x 12}}{52} = \text{Weekly salary}$$

$$\frac{\text{Weekly salary}}{\text{Total hours worked during that week}} = \text{Rate per hour}$$

To calculate overtime from this:

Rate per hour x 1/2	x	Number of hours worked in excess of 40	=	Amount of overtime due

3. Determining hourly rate and overtime for retail employees paid principally from commissions:

$$\frac{\text{Total compensation for one week}}{\text{Total hours worked for that same week}} = \text{Regular rate of pay}$$

4. Weighted average method of overtime: When an employee performs two jobs for the same employer, with each job having a different rate of pay, the method of computing overtime is as follows:

Job 1:	Rate of pay	x	Number of hours	=	Compensation	
Job 2:	Rate of pay	x	$\frac{\text{Number of hours}}{\text{Total hours}}$	=	$\frac{\text{Compensation}}{\text{Total compensation}}$	

$$\frac{\text{Total compensation}}{\text{Total hours}} = \text{Average per hour}$$

$$\frac{\text{Average per hour}}{2} = \text{Rate of overtime}$$

The rate of overtime multiplied by the number of overtime hours (hours in excess of 40) is the total overtime due.

5. Determining overtime from regular rate and overtime from day rates and job rates:

   If the employee is paid a flat sum for a day's work or for doing a particular job, without regard to the number of hours worked in the day or at the job, and if the employee receives no other form of compensation for services, the employee's regular rate is determined by totaling all the sums received at such day rates or job rates in the workweek and dividing by the total hours actually worked. The employee is then entitled to extra half-time pay at the rate for all hours worked in excess of forty in the workweek.

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