

Determining Pay Rate under Louisiana's Enhanced Wage Reporting Systems





1. Hourly Pay rate determination for salaried workers

For salaried workers, employers must report the hourly pay rate by dividing the salary (annual / nine month / quarterly / monthly / biweekly / weekly) by the respective number of standard hours (Annual = 2080, Nine Month = 1560, Quarterly = 520, Monthly = 160, Biweekly = 80, weekly = 40). Additional tips, overtime pay, bonuses and extra hours worked need not be used to determine the pay rate of salaried employees.

In case the employee started in the middle of the quarter but has been employed at a pre-determined salary (Annual / nine month / quarterly / monthly / biweekly / weekly) the hourly pay rate should be determined based on the standard hours defined above irrespective of the actual number of hours worked for the specific quarter.

2. Hourly Pay rate determination for hourly workers

For hourly workers, employers must report the standard hourly pay rate excluding overtime pay, bonuses and tips. Hourly pay rate must be determined by dividing the total wages earned by the worker by the total number of hours worked by the worker. In case the employer is unable to determine the total number of hours worked, they may use standard number of hours as outlined in 1.

3. Hourly Pay rate determination for commission workers

For commission workers, employers will report the hourly pay rate by dividing the total earnings of the workers for the pay period by the total number of hours worked in that period. In case the total number of hours is unavailable or not able to be determined the employer should use standard hours as defined in 1 and use



according to the number of weeks / months / quarters needed to complete the work.

4. Hourly Pay rate for salary + commission workers

If an employee is paid a salary and commission the employer does not have to report the commission as part of nominal pay rate only when the following two conditions are met

- A. Less than 50 percent of employee's total earnings in a representative period consist of commission and
- B. The employee's regular rate of pay exceeds one and one-half times the applicable minimum wage for every hour worked in a reporting period.

To determine if an employer has met the "exceed one and one-half times the applicable minimum wage" condition, the employer may divide the employee's total earnings attributed to the quarter by the employee's total hours worked during the quarter. If the result is more than time and one-half the minimum wage then commissions need not be included as part of calculating nominal pay rate. If the number of hours worked during the quarter is not available or cannot be determined then the total earnings need to be divided by 520 (one quarter) or 2080 (one year for yearly filers).

5. Hourly Pay rate for part-time salaried workers

For part-time salaried workers, employers must calculate hourly pay rate by dividing the total earnings of the employee (except tips, bonus and commission



only if it does not meet point 4 above) by the total number of actual hours worked by the worker in the quarter. In case the employer does not have the total number of hours worked by the worker for the quarter, total number of hours worked by the worker for a quarter can be determined by taking the number of hours worked for a typical week in the quarter and multiplying it with 13 (number of weeks in the quarter).