
29 C.F.R. § 810.105

Calculating the average hourly base wage rate.

(a) The average hourly base wage rate (also referred to in the USMCA as the production wage rate, and in the Uniform Regulations as the average base hourly wage rate) is calculated by dividing the total base wages paid for all hours worked in direct production at a plant or facility by the total number of hours worked in direct production at that plant or facility. The average hourly base wage rate must be at least US\$16 per hour for the plant or facility to count toward a producer's LVC obligation.

(b) The three components of this calculation are computed as follows:

(1) *Hourly base wage rate* is the rate of compensation a worker is paid for each hour worked in direct production.

(i) Benefits, bonuses, premium payments, incentive pay, overtime premiums, and all other similar payments are excluded from the hourly base wage rate.

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