Pay Periods, Computations, and Deductions

BRIEF

Policy Summary
This policy provides guidance on the requirements and calculations for pay periods and payroll deductions at Berkeley Lab. Exempt and non-exempt employees are paid according to required calculations and deduction amounts. Deductions include income tax withholding, retirement plans, health insurance plans, and other types of insurance plans. Other deductions such as dues or payments to approved employee organizations, payments to additional retirement programs, certain charitable contributions, and salary attachments may also be included.

Who Should Read This Policy
All Berkeley Lab employees

To Read the Full Policy, Go To:
The POLICY tab on this wiki page

Contact Information
Payroll Manager, OCFO

POLICY

A. Purpose
This policy provides guidance on the requirements and calculations for pay periods and payroll deductions at Lawrence Berkeley National Laboratory (Berkeley Lab).

B. Persons Affected
All Berkeley Lab employees

C. Exceptions

None

D. Policy Statement

1. Monthly Pay Periods
   a. Exempt Employees Working Full-Time Schedules
      i. Exempt employees working full-time schedules are paid at a fixed monthly rate. The salary for exempt, full-time employees working partial months (i.e., new hires and terminating employees) is based on the following formula:

      \[
      \text{Percent of Time Worked} = \frac{\text{Number of Days Worked in Month}}{\text{Number of Workdays in Month}} \times 100
      \]

      \[
      \text{Monthly Salary} = \text{Percent of Time Worked} \times \text{Gross Pay}
      \]

      ii. The salary for exempt, full-time employees who are on Leave Without Pay (LWOP) during the month is calculated by the following formula:

      \[
      \text{Daily Rate} = \frac{\text{Monthly Salary}}{260}
      \]

      \[
      \text{Deduction from Gross Monthly Salary} = \text{Daily Rate} \times \text{Number of Days on LWOP}
      \]

   b. Exempt Employees Working Part-Time Schedules: The salary for exempt, part-time employees is calculated using the following formula:

      \[
      \text{Percent of Time Worked} = \frac{\text{Number of Hours Worked in Month}}{\text{Number of Hours in Month}} \times 100
      \]

      \[
      \text{Gross Pay} = \text{Percent of Time Worked} \times \text{Monthly Salary}
      \]

2. Biweekly Pay Periods
   a. Non-exempt Titles: Employees with non-exempt titles are paid biweekly. Their gross pay is calculated using the following basic formula: (Compensable regular hours in biweekly period x applicable regular hourly rate) + (Compensable overtime hours in biweekly period x applicable overtime hourly rate)

   b. Variable Schedule Exempt Titles: Employees on variable schedules have no fixed percentage of time or schedule. Their hours worked will vary depending on operational needs (e.g., rehired retirees, students, and administrators). Employees with exempt titles who work variable schedules are paid by the hour on a biweekly basis.

   c. Due to hourly pay practices, employees in either of the above situations will be treated as non-exempt employees subject to Fair Labor Standards Act (FLSA) minimum wage and overtime provisions.

      i. Pay is computed using the following basic formula:

      \[
      \text{Hourly Rate} = \frac{\text{Applicable Monthly Salary} \times 12}{2080}
      \]

      ii. Gross pay is calculated using the following basic formula:

      \[
      \text{Gross Pay} = (\text{Compensable regular hours in biweekly period} \times \text{applicable regular hourly rate}) + (\text{Compensable overtime hours in biweekly period} \times \text{applicable overtime hourly rate})
      \]

3. Reporting of Overtime
   a. Non-exempt Employees: Non-exempt employees are paid at the regular overtime rate of 1½ times the regular rate for hours worked in excess of 8 hours per day or 40 hours per week.

   b. Extended Workweek: An extended workweek is a planned schedule exceeding the normal 40-hour workweek for more than four consecutive weeks at a regular Berkeley Lab site or temporary assignment at locations away from a regular Berkeley Lab site. Exempt or non-exempt employees may qualify (see Overtime & Extended Workweeks Policy).

   c. Payroll Deductions

      i. After gross pay has been calculated, deductions are made for income tax withholding, retirement plans, health insurance plans, and other types of insurance plans. Other deductions such as dues or payments to approved employee organizations, payments to additional retirement programs, certain charitable contributions, and salary attachments may be allowed or required.

      ii. Taxes are withheld based on the employee’s exemption certificate (IRS Form W-4, Employee’s Withholding Tax Certificate).
E. Roles and Responsibilities

Managers, supervisors, and employees have the responsibility to adhere to the provisions of this policy.

F. Definitions/Acronyms

None

G. Recordkeeping Requirements

None

H. Implementing Documents

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<td>Policy</td>
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<td>11.05.002.001</td>
<td>IRS Form W-4, Employee’s Withholding Allowance Certificate</td>
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I. Contact Information

Payroll Manager, OCFO

J. Revision History

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Document Information

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**Source Requirements Documents**

Fair Labor Standards Act (FLSA)

**Implementing Documents**

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