Pay Periods, Computations, and Deductions

Brief

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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

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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:

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

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

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

      \[
      \frac{\text{Monthly Salary} \times 12}{260} = \text{Daily Rate}
      \]

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

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

      \[
      \frac{\text{Number of Hours Worked in Month}}{\text{Number of Hours in Month}} = \% \text{ of Time Worked}
      \]

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

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:

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

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

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

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
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

<table>
<thead>
<tr>
<th>Document Number</th>
<th>Title</th>
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<tr>
<td>02.06.004.000</td>
<td>Overtime &amp; Extended Workweeks Policy - B</td>
<td>Policy</td>
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<tr>
<td>11.05.002.001</td>
<td>IRS Form W-4, Employee’s Withholding Allowance Certificate</td>
<td>Form</td>
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I. Contact Information

Payroll Manager, OCFO

J. Revision History

<table>
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<tr>
<th>Date</th>
<th>Revision</th>
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<th>Revision Description</th>
<th>Section(s) affected</th>
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<td>3/25/2013</td>
<td>1.1</td>
<td>Meo</td>
<td>Review completed 3/20/2013, no changes</td>
<td>Pub &amp; next review dates</td>
<td>Minor</td>
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<td>1</td>
<td>Meo</td>
<td>Reformat for wiki</td>
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Document Information

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<td>RPM Section (home)</td>
<td>Financial Management</td>
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Source Requirements Documents

Fair Labor Standards Act (FLSA)

Implementing Documents

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