



## Pay Periods, Computations and Deductions

Lawrence Berkeley  
National Laboratory

Financial Policies and Procedures

Part I

---

Originally issued:	April 15, 2009
Revision Date:	n/a
Revision Number:	0
Scheduled review date/frequency:	April 15, 2010 (every year)
Primary contact:	Controller

---

### Summary

This policy provides guidance on the requirements and calculations for pay periods and payroll deductions at the Laboratory.

### Policy

#### Monthly Pay Periods

##### *Exempt Employees Working Full-Time Schedules*

- Exempt employees working full-time schedules are paid a flat 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:

$$\frac{\text{\# of days worked in month}}{\text{\# of workdays in month}} = \% \text{ time}$$

$$\% \text{ time} \times \text{monthly salary} = \text{Gross pay}$$

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

$$\frac{\text{Monthly salary}}{260} = \text{Daily rate}$$

$$\text{Daily rate} \times \text{\# of days LWOP} = \text{Deduction from gross monthly salary}$$

## Financial Policies and Procedures Manual

### ***Exempt Employees Working Part-time Schedules***

- The salary for exempt, part-time employees taking LWOP is calculated by the following formula:

$$\frac{\text{Monthly salary} \times 12}{2080} \times \text{\# of hours on LWOP} = \text{\# of hours to be deducted from part-time monthly salary}$$

### **Bi-Weekly Pay Periods**

#### ***Nonexempt Titles***

- Employees with nonexempt titles are paid biweekly. Their gross pay is computed by the following basic formula:

$$\begin{aligned} & (\text{Compensable regular hours in biweekly period} \times \text{Applicable regular hourly rate}) + \\ & (\text{Compensable overtime hours in biweekly period} \times \text{Applicable overtime hourly rate}) \\ & = \text{Gross pay} \end{aligned}$$

#### ***Exempt Titles***

- Employees on a variable schedule
  - Employees having exempt titles who work variable schedules are paid by the hour on a biweekly basis.
- Employees paid under the Fair Labor Standards Act (FLSA) - exempt minimum salary
  - Employees having exempt titles whose base weekly salary is under the FLSA minimum for exempt status are paid by the hour on a biweekly basis.
- Because of hourly pay practices, employees in the above situations shall be treated as nonexempt employees subject to FLSA minimum wage and overtime provisions.
- Pay is computed by the following basic formulas:

$$\frac{\text{Applicable monthly salary} \times 12}{2080} = \text{Hourly rate}$$

$$\begin{aligned} & (\text{Compensable regular hours in biweekly period} \times \text{Applicable regular hourly rate}) \\ & + \\ & (\text{Compensable overtime hours in biweekly period} \times \text{Applicable overtime hourly rate}) \\ & = \text{Gross pay} \end{aligned}$$

## **Financial Policies and Procedures Manual**

### **Payroll Deductions**

After gross pay has been computed, deductions are made for income tax withholding, retirement plans (UCRS and FICA), 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.

Taxes are withheld based on the employee's exemption certificate (W-4) on file in the Office of the Chief Financial Officer/Payroll Office. If an increase in exemptions is in order or a decrease is desired to increase withholdings, an amended certificate (W-4) should be filed. If the option to be exempt from withholding is used, a new Form W-4 must be submitted by February 15th of each year.

Retirement deductions are withheld from all regular-time payments. UCRS is computed at a set percentage on all regular pay over a specified minimum. FICA is computed at the legal percentage of all pay up to the legal maximum for the year.

### **Reporting of Overtime**

#### ***Nonexempt Employees***

- See [RPM §2.06\(B\)\(1\)\(c\) Compensation, Scheduling, and Work Location](#)

#### ***Exempt Employees***

- **Monthly Timecards**

The approved extended work week schedule of hours (e.g., 48, 54) will be displayed in the Saturday date box of monthly timecards for each week that a monthly reporting, exempt employee is entitled to be paid for overtime. These hours will also be distributed to the proper cost account to the nearest half day.

- **Weekly Timecards**

The actual overtime hours and the approved extended schedule of hours will be displayed as a fraction (e.g., 8/48) in the overtime total box of weekly timecards for each week that a weekly reporting, exempt employee is entitled to be paid for overtime. The actual overtime worked will be distributed to the proper cost account to the nearest hour. When an employee is not entitled to such pay for one or more weeks during an extended work-week period, the schedule of hours should not be displayed.

### **Contacts**

- Controller
- Manager, Payroll