



Pay Periods, Computations and Deductions

Lawrence Berkeley
National Laboratory

Financial Policies and Procedures

Part I

Originally issued:	April 15, 2009
Revision date:	April 15, 2011
Revision number:	3
Scheduled review date:	April 15, 2012 (every year)
Primary contact:	Manager, Payroll

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 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:

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

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

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

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

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

Financial Policies and Procedures Manual

Exempt Employees Working Part-Time Schedules

The salary for exempt, part-time employees is calculated using the following formula:

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

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

Bi-Weekly Pay Periods

Nonexempt Titles

Employees with nonexempt titles are paid biweekly. Their Gross Pay is calculated using the following basic formula:

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

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.

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

Pay is computed using the following basic formulas:

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

Gross Pay is calculated using the following basic formula:

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

Financial Policies and Procedures Manual

Reporting of Overtime

Nonexempt Employees

Nonexempt employees are paid at the regular overtime rate of 1 ½ times the regular rate for hours worked in excess of 8 hours per day or 40 hours per week.

Extended Workweek

An extended workweek is a planned schedule exceeding the normal 40-hour workweek for more than four consecutive weeks at a regular Laboratory site or temporary assignment at locations away from a regular Laboratory site. Exempt or nonexempt employees may qualify (see [RPM 2.06 Compensation, Scheduling, and Work Location \(B\)\(5\)](#)).

Payroll Deductions

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.

Taxes are withheld based on the employee's exemption certificate ([IRS Form W-4, Employee's Withholding Allowance Certificate](#)) kept on file in the Office of the Chief Financial Officer/Payroll Office.

Contacts

Manager, Payroll