

Calculating Weighted Overtime

Why did the system take time away?

The State of Oregon is a monthly paying employer. This means that no matter how many checks you get in a month, the deductions and taxes are all calculated as if the wages were all paid on one check.

This causes quite a bit of confusion when reporting overtime. The OT rate is not just 1.5 times the hourly rate of the wages, but also includes any other money paid in the month.

Full Time Employee - worked all month, no differentials, just overtime			
Reg Hrs	176 @ \$3100.00	=	\$3100.00
OT Hrs	56 @ \$26.83	=	\$1502.48

(OT rate figured out: monthly salary \$3100 / average reg hours 173.33 x 1.5 = 26.83)

When also receive shift differential, holiday pay, or any other money, that needs to be included in the OT rate calculation to get the correct hourly rate.

Full Time Employee – worked all month, has OT and SDE			
Reg Hrs	176 @ \$3100.00	=	\$3100.00
OT Hrs	100 @ \$27.81	=	\$2781.00
SDE Hrs	150 @ \$.75	=	\$112.50

(OT rate figured out: monthly salary \$3100+ SDE \$112.50/average reg hours 173.33 x 1.5 = \$27.81)

Since the state’s payroll system is based on paying monthly, the OT rate on the first check will be different on the second check. This is because there is usually additional SDE or other payments that change the OT hourly rate.

The payroll system cannot figure out what the difference is and then only pay that. It has to reverse what has been paid, and then pay all of the OT for the month at the new rate. What you will see on your check stub will look like this:

OT	-56 hrs @ \$26.83 =		-\$1502.48
OT	100 hrs @ \$27.81 =		\$2781.00

All of the OT hours for the month are paid at the new and correct rate. It is only the partial OT payment this is subtracted.

If there are any questions, please feel free to contact Payroll.