Oregon Bureau of Labor and Industries

Overtime on Prevailing Wage Rate Projects

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Seminar handouts can be found at:
https://www.oregon.gov/boli/employers/Pages/prevailing-wage-seminars.aspx
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Overtime on PWR Projects

On Prevailing Wage Rate (PWR) projects, overtime is owed for:

- Daily hours after 8 or 10 hours per day, Monday - Friday.
- Weekend hours – all hours worked on Saturdays and Sundays.
- Six legal holidays (*see slide 6*)
- Weekly hours, after 40 hours in the week.
  - Note: weekly overtime results from working PWR and non-PWR projects in the same week.

- Note to union contractors: Follow the OT requirements in CBA, which may be different.

Daily Overtime

Traditional 5/8 work schedule:

- Monday through Friday;
- Overtime is due after 8 hours per day.

Alternative 4/10 work schedule:

- Schedule must consist of 4 consecutive days;
- Schedule must fall between Monday and Friday.

  Therefore, established 4/10 schedule must be either:

  Monday – Thursday or **Tuesday – Friday**.
- Overtime is due after 10 hours per day, if schedule restrictions and scheduling requirements are followed (see next slide).

4/10 Schedule Restrictions

- Employer may change the work schedule only if the change is intended to be permanent. In other words – can't switch back and forth.
- If employee on a 4/10 schedule works outside of the established 4-day schedule, work week reverts to a 5/8 schedule.
- If employee works on private work outside of the established 4-day schedule, work week reverts to a 5/8 schedule.

OT Requirements

- Daily overtime applies even if employee hasn't work more than 40 hours in the week.

- Must notify employees in writing of the number of hours/day and days/week they may be required to work. Failure to give required notice results in a 5/8 work schedule (OT due after 8 hours/day).

Weekend & Holiday Overtime

Overtime is due for:

- All hours worked on Saturdays and Sundays;
- All hours worked on the following holidays:
    - New Year's Day
    - Memorial Day
    - Independence Day
    - Labor Day
    - Thanksgiving
    - Christmas
- If holiday falls on Saturday, preceding Friday is the recognized holiday; if holiday falls on Sunday, following Monday is recognized holiday.

Some Exceptions

- The terms of a collective bargaining agreement (CBA) take precedence for covered employees.
- Projects for public universities are exempt from the daily/weekend OT requirements.
  - OT is owed only after 40 hours/ week.
  - Public university may require daily and weekend OT by contract.

- Public universities are:
  - Oregon State University
  - University of Oregon
  - Portland State University
  - Western Oregon University
  - Eastern Oregon University
  - Southern Oregon University
  - Oregon Institute of Technology

Overtime – On Site and Off Site

Only work performed on the PWR project site (and dedicated sites) must be paid prevailing wages.

Overtime is different:

- Daily, weekend and holiday overtime does not have any “site of work” limitations.
- If off-site work is related to a public contract, the time counts toward daily overtime.

Overtime – On Site and Off Site

Examples:

- Employee drives 1 hour from shop to PWR project site, works 8 hours on PWR project site, drive 1 hour back to shop. Due 2 hours OT this day, at hourly weighted average rate.
- Employee works 5 hours in shop on work related to a public contract (i.e., related to the PWR project, but not off-site fab subject to HB 2688), and works 5 hours on the PWR project site. Due 2 hours OT this day, at hourly weighted average rate.
- Employee works 5 hours in shop on private non-PWR work, and works 5 hours on PWR project site. No daily OT owed.

Calculating Overtime

- Overtime = (base rate x 1.5) + fringe rate.
  - If rate includes zone pay or other premium pay, overtime = ((base rate + premium pay) x 1.5) + fringe rate.
  - The hourly fringe rate is paid for all PWR hours worked, but is always paid at the straight time rate.

- If employee works at more than one rate of pay during a day or week and works OT hours that day or week, the OT must be calculated using a weighted average of the hourly base rates earned.
  - This applies whether the employee works on PWR or non-PWR jobs.

*See weighted average overtime Excel spreadsheet on **PWR home page***

Weighted Average Overtime Example

Employee worked a total of 53 hours. There are 4 hours of daily PWR overtime on the 25th. The 4 hours of daily PWR overtime are subtracted from the 53 weekly hours, leaving 49 hours, or 9 hours of weekly OT.

	Mon 22	Tue 23	Wed 24	Thu 25	Fri 26	Total Hrs	Hrs over 40
Reg. @ $35.00	10	12	9		5	36	53-4=49
PWR @ $41.10 + $18.30				12	5	17	49-40=9

For the week:
36.00 hours @ $35.00 = $1,260.00
17.00 hours @ $41.10 = 698.70
$1,958.70

Total: $1,958.70 ÷ 53 = $36.96; $36.96 x .5 = $18.48;
$18.48 x 9 weekly OT hours = $166.32 due

Base Wages Earned	$1,958.70	
WA Overtime after 40	166.32	
PWR daily overtime	82.20	(4 hours @ ($41.10 x .5))
PWR Fringe Benefits	311.10	(17 hours @ $18.30)
Total Wages Earned	$2,518.32	

*See more examples in Appendix C of the **PWR Laws Handbook***

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