

PAYROLL TRANSITION TALKING POINTS

Talking Points

Upcoming Changes to Payroll

The Oregon Department of Administrative Services (DAS), on behalf of the state of Oregon, is making updates to improve accuracy, timeliness, and consistency in how employees are paid.

By July 1, 2027, all employees will move from a monthly pay schedule to a biweekly pay schedule, employees eligible for overtime under federal law will shift from salary to hourly pay, and we will eliminate forecasting.

We know these changes bring questions, and we are committed to providing clear and accurate communication. See our [answers to your common questions](#) for more detailed information.

Why We Are Making These Changes

Our priority is ensuring every employee is paid accurately, on time, and in a way that's easy to understand. These changes help reduce errors and make pay clear, accurate and more predictable.

These changes will also help us remain compliant with state and federal laws.

Biweekly Pay Schedule for All Employees

All employees will move to a biweekly pay schedule. This means you will be paid every two weeks on Fridays with 26 paydays per year instead of 12. In rare years, 27 paydays may occur.

This transition is not a reduction in compensation. Your total annual compensation will remain the same. It will be divided into 26 pay periods per year instead of 12.

Most months have only two paydays, representing two weeks of work each. Two months each year will include three paydays.

The change to a biweekly payroll begins by July 1, 2027. You will get paid on July 16, 2027, for hours reported worked July 1-3, 2027. You will receive your first full biweekly pay on July 30, 2027 for hours reported worked for the July 4-17, 2027 pay period. The [payroll transition calendar](#) shows all paydays for 2027.

Hourly Pay for Overtime Eligible Employees

Employees eligible for overtime under federal law, Fair Labor Standards Act (FLSA) Non-Exempt employees, who receive a monthly salary will move to hourly pay. This change helps us pay you faster and makes understanding your pay easier. Your overtime will be reflected accurately in each pay period based on the hours you have already worked.

Employees who are not eligible for overtime under federal law, FLSA Exempt employees, will remain salaried.

Eliminating Forecasting

Your pay will be based on actual hours worked in the previous biweekly period, not projected hours.

A lag period in payroll refers to the gap between the end of a pay period (when employees earn their wages) and the payday (when those wages are paid out). Forecasting in payroll refers to predicting or estimating future pay before the actual time is worked or submitted.

When biweekly pay is implemented, the state will pay employees using a lag period of ten weekdays rather than forecasting. For example, the first full biweekly pay period in 2027 will run from Sunday July 4 to Saturday, July 17, and the actual hours worked during this period are paid out on Friday, July 30. The biweekly pay cycle calendar shows how a biweekly pay cycle will work for payroll processing.

You will receive more reliable pay because overtime and shift differentials will be paid in the same period as the regular hours worked. This change will reduce errors and overpayments. You will be paid for the hours worked in the prior two-week period.

Resources for Employees

How and when you are paid is deeply personal, and the state of Oregon is committed to making this transition as smooth as possible.

We will provide resources, training, and dedicated support for you during the transition.

Since pay will come every two weeks instead of once a month, you may need to adjust how you manage recurring bills and savings. Because you are a state employee you have access to [unlimited, free and confidential financial coaching](#) anytime through your benefits. You can access the Everyday Assistance Program (EAP) benefits through [Canopy](#). For instructions on how to sign up for a Canopy account visit the [PEBB Wellness Programs](#) website. These services can help you review your budget, adjust payment due dates and create a plan for managing your money under the new pay schedule.

Your Feedback Matters

Visit the [Payroll Transition webpage](#) today to learn more and share your feedback.

[Sign up to receive email updates](#). Subscribe to the Payroll Transition Project topic.

We have more than 40,000 employees across three branches of government (executive, legislative, and judicial), including state agencies, boards, and commissions impacted by the change. Each organization has its own processes and perspectives. Employees will experience these changes in different ways.

Your feedback helps us understand those differences so we can ensure that communications, training, and support work for you. Please share your thoughts. We are listening.

If you are a represented employee your labor organization's advisory committee may have additional ways for you to provide feedback. The labor advisory committees are:

Association of Engineering Employees of Oregon (AEE) Structural Pay Changes Committee

Department of Corrections (DOC) Security Structural Pay Changes Committee

Department of Corrections (DOC) Security Plus Structural Pay Changes Committee

Federation of Oregon Parole and Probation Officers (FOPPO) Structural Pay Changes Committee

Oregon Public Safety Association (OPSA) Structural Pay Changes Committee

Oregon State Police Officers Association (OPSOA) Structural Pay Changes Committee

American Federation of State, County & Municipal Employees (AFSCME) Central Table Structural Pay Changes Committee

Association of Oregon Corrections Employees (AOCE) Structural Pay Changes Committee

Criminal Investigators Association (CIA) Structural Pay Changes Committee

Service Employees International Union (SEIU) Structural Pay Changes Committee

Refer to your collective bargaining agreement for more information.