

Appendix C

Calculating Weighted Average Overtime

In the following three examples, each employee is working on an established five-day work schedule (i.e., a 5/8 schedule). Therefore, daily overtime is computed for hours worked after eight in a day, Monday through Friday.

If a contractor or subcontractor adopts a work schedule of four consecutive days, rather than five (Monday through Thursday, or Tuesday through Friday), daily overtime would be computed for the hours worked after ten in a day, rather than eight.

If an employee earns more than one base rate of pay for the day/week, then the daily/weekly overtime owed, in addition to the regular straight time wages, is based on a weighted average of the hourly base rates earned. OAR 839-025-0050(2)(b) For purposes of overtime wages computation, each workday stands alone.

Example 1:

Bob Gross works as a Laborer and a Power Equipment Operator (PEO) for Haystack Construction Company. Below is his timecard for work performed at Mt. Hood High School, a public works project, for the week of October 15 to October 21.

The applicable rates for this project are from the [BOLI July 5, 2023 Prevailing Wage Rate Publication](#). This project is located in Portland.

The hourly rates owed and Bob Gross' timecard:

Classifications	Base Rate	Fringe Rate
Laborer Group 1	\$36.11	\$16.80
Power Equipment Operator Group 4 (PEO)	\$47.74	\$16.65

HAYSTACK CONSTRUCTION COMPANY				
TIME SHEET				
EMPLOYEE NAME: Bob Gross		JOB TITLE: Laborer & Power Equipment Operator (PEO)		
DATE FROM: October 15, 2023		DATE TO: October 21, 2023		
DAY	DATE	JOB SITE	HOURS	NOTES
SUN	10-15-23			
MON	10-16-23	Mt. Hood H.S.	8 PEO Group 4	
TUE	10-17-23	Mt. Hood H.S.	8 Labor Group 1 1 PEO Group 4	Worked 2 classifications
WED	10-18-23	Mt. Hood H.S.	5 Labor Group 1 7 PEO Group 4	Worked 2 classifications
THU	10-19-23	Mt. Hood H.S.	6 PEO Group 4	
FRI	10-20-23	Mt. Hood H.S.	10 Labor Group 1	
SAT	10-21-23			
			TOTAL HOURS:	45
Public Works Project				
EMPLOYEE'S SIGNATURE: <i>Bob Gross</i>			DATE: October 21, 2023	

In this example, the contractor pays the fringe benefits to a trustee pursuant to a bona fide plan. As required by OAR 839-025-0050(2)(b), because Bob worked one hour of overtime on Tuesday and earned two different rates that day, and Bob worked four hours of overtime on Wednesday and earned two different rates that day, the weighted average of his base rates of pay for each day must be calculated to compute his overtime rate for each of those days. Daily overtime also applies on Friday, without having to calculate a weighted average, as he only worked in one classification that day. Bob's weekly earnings would be as follows:

Straight time (base rate)

$$\begin{array}{r}
 \$36.11/\text{hr} \times 29 \text{ hours} = \$1,047.19 \\
 \$47.74/\text{hr} \times 16 \text{ hours} = \underline{\$763.84} \\
 \hline
 \$1,811.03
 \end{array}$$

To calculate 1/2 the weighted average overtime for Tuesday and Wednesday (necessary because overtime was earned each day and multiple classifications were worked each day):

Tuesday Hours		Wednesday Hours			
\$36.11/hr x 8 hours	=	\$288.88	\$36.11/hr x 5 hours	= \$180.55	<i>Multiply the base rate by the hours worked at that rate that day, for each classification.</i>
\$47.74/hr x 1 hour	=	\$47.74	\$47.74/hr x 7 hours	= \$334.18	
		\$336.62		\$514.73	
\$336.62 ÷ 9 hours	=	\$37.40	\$514.73 ÷ 12 hours	= \$42.89	<i>Divide the total base amount earned by the # of hours worked that day, then again by 0.5 to get the 1/2 weighted average hourly rate for the day</i>
\$37.40 x 0.5	=	\$18.70	\$42.89 x 0.5	= \$21.45	

PWR daily overtime for Friday (only one classification worked) :

Friday Hours		
\$18.06/hr x 2 hours	=	\$36.11
		<i>Labor rate of \$36.11 divided by 2 to get the 1/2 overtime rate</i>

Calculate Total Wages Earned

$$\begin{array}{r}
 \$36.11/\text{hr} \times 29 \text{ hours} = \$1,047.19 \\
 \$47.74/\text{hr} \times 16 \text{ hours} = \underline{\$763.84} \\
 \hline
 \$1,811.03
 \end{array}$$

Weighted average overtime

\$18.70 x 1 hour	=	\$18.70	Tuesday
\$21.45 x 4 hours	=	\$85.80	Wednesday

PWR daily overtime

\$18.06/hr x 2 hours	=	\$36.11	Friday
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Total Weekly Wages \$1,951.64

Example 2:

Clyde Mayes works as a Cement Mason for Shore Acres Cement Company. Below is his timecard for work performed on the South Sister Reconstruction public works project and private work performed at Little Corner Donut Shop, for the week of April 17 to April 23.

The applicable rates for the South Sister Reconstruction project are from the [BOLI January 1, 2022 Prevailing Wage Rate Publication](#). This project is located in Sisters.

The hourly rates owed and Clyde Mayes' timecard:

Classifications	Base Rate	Fringe Rate
Cement Mason Group 1	\$36.72	\$22.07
Private Cement Work	\$30.00	-

COMPANY NAME:
SHORE ACRES CEMENT COMPANY

**WEEKLY
TIME SHEET**

EMPLOYEE NAME: <i>Clyde Mayes</i>	JOB TITLE: <i>Cement Mason</i>
DATE FROM: <i>April 17, 2022</i>	DATE TO: <i>April 23, 2022</i>

DAY	DATE	JOB SITE	HOURS
<i>Sunday</i>	<i>4-17-22</i>	<i>Donut Shop</i>	<i>6</i>
<i>Monday</i>	<i>4-18-22</i>	<i>South Sister Reconstruction</i>	<i>10</i>
<i>Tuesday</i>	<i>4-19-22</i>	<i>Donut Shop</i> <i>South Sister Reconstruction</i>	<i>3</i> <i>8</i>
<i>Wednesday</i>	<i>4-20-22</i>	<i>Donut Shop</i>	<i>10</i>
<i>Thursday</i>	<i>4-21-22</i>	<i>Donut Shop</i>	<i>10</i>
<i>Friday</i>	<i>4-22-22</i>		

Clyde Mayes *4-22-2022*
EMPLOYEE SIGNATURE / DATE

In this example, the contractor pays the fringe benefits to a trustee pursuant to a bona fide plan. There are 2 hours of daily OT on Monday, which are owed at 1.5 times the prevailing wage rate earned that day. Although Clyde worked 11 hours on Tuesday, only 8 hours were worked on a public works project and the other 3 hours were worked on a private job that is not related to a public contract; therefore there is no daily OT this day. Weekly overtime is owed for hours over 40 (minus the PWR daily & weekend overtime where applicable), and must be calculated at the weekly weighted average overtime as required by OAR 839-025-0050(2)(b).

Clyde's weekly earnings would be as follows:

To calculate 1/2 the weighted average overtime for the week (necessary because over 40 hours were worked in the week and multiple rates of pay were earned during that time):

\$36.72/hr x 18 hours	=	\$660.96	<i>Multiply the base rates with the hours worked for each day.</i>
\$30.00/hr x 29 hours	=	\$870.00	
		\$1,530.96	

\$1,530.96 ÷ 47 hours	=	\$32.57	<i>Divide the total base amount earned by total # of hours worked in the week, then again by 0.5 to get the 1/2 weighted average hourly rate for the week</i>
\$32.57 x 0.5	=	\$16.29	

PWR daily overtime from Monday:

Monday Hours

\$18.36/hr x 2 hours	=	\$36.72	<i>Cement rate of \$36.72 divided by 2 to get the 1/2 overtime rate</i>
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Calculate Total Wages Earned

\$36.72/hr x 18 hours	=	\$660.96
\$30.00/hr x 29 hours	=	\$870.00
		\$1,530.96

Straight time (base rate)

\$36.72/hr x 18 hours	=	\$660.96
\$30.00/hr x 29 hours	=	\$870.00
		\$1,530.96

Weekly weighted average overtime

\$16.29 x 5 hours	=	\$81.45
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(47 hours worked in the week minus 2 hours of PWR daily OT = 45 hours; therefore 5 hours of weekly OT must be calculated)

PWR daily overtime

\$18.36 x 2 hours	=	\$36.72
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Total Weekly Wages \$1,649.13

Example 3:

Wally Walker works as a carpenter for Frosty Forest Grove Carpentry, and this contractor pays the fringe as wages. He is currently working on the Forest Grove Public Library, which is a public works project. Wally begins his day at the company’s shop then drives to the PWR worksite. Occasionally he will spend other worktime in the shop other than the beginning of the day, working on items related to the Forest Grove Public Library.

The applicable rates for the Forest Grove Public Library are from the [BOLI July 1, 2022 Prevailing Wage Rate Publication](#). This project is located in Forest Grove.

The hourly rates owed and Wally Walker’s timecard:

Classifications	Base Rate	Fringe Rate
Carpenter Group 1	\$44.80	\$19.21
Drive Time	\$25.00	-
Shop time	\$40.00	-

**FROSTY FOREST GROVE
CARPENTRY**

WEEKLY TIME SHEET

EMPLOYEE NAME: WALLEY WALKER

JOB TITLE: CARPENTER

WEEK OF: SEPT. 5-10, 2022

DATE	JOB SITE/LOCATION	HOURS	TOTAL DAILY HOURS
MON. SEPT. 5, 2022	FOREST GROVE LIBRARY	6	6
TUE. SEPT. 6, 2022	SHOP	2	9.5
	DRIVE TIME	0.5	
	FOREST GROVE LIBRARY	7	
WED. SEPT. 7, 2022	SHOP	1	11
	DRIVE TIME	0.5	
	FOREST GROVE LIBRARY	8	
	DRIVE TIME	0.5	
	SHOP	1	
THU. SEPT. 8, 2022	FOREST GROVE LIBRARY	8	10.5
	DRIVE TIME	0.5	
	SHOP	2	
FRI. SEPT. 9, 2022	SHOP	10	10
SAT. SEPT. 10, 2022	OFF	-	-

EMPLOYEE SIGNATURE: Wally Walker

DATE: SEPT. 10, 2022

In this example, Wally’s travel time and shop time are compensable time, and the time counts toward daily overtime because it is related to a public contract (i.e., the Forest Grove Public Library project). Even though the drive time and shop hours count toward daily overtime, those hours can be paid at an agreed rate rather than at a prevailing wage rate because the hours were not worked on the PWR project site. Therefore, Wally is due daily overtime on Tuesday, Wednesday, Thursday, and Friday. On Tuesday, Wednesday, and Thursday, the daily overtime must be calculated at the daily weighted average rate because Wally earned multiple rates of pay those days. Overtime is also due for work on Monday, which was Labor Day. This is a legal holiday and OT is owed for hours worked this day. (The six legal holidays under PWR law are New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.) ORS 279C.540; OAR 839-025-0050.

Wally's weekly earnings would be as follows:

To calculate ½ the weighted average overtime for Tuesday, Wednesday and Thursday:

Tuesday Hours

\$44.80/hr x 7 hours	=	\$313.60		
\$25.00/hr x 0.5 hour	=	\$12.50	\$406.10 ÷ 9.5 hours	= \$42.75
\$40.00/hr x 2 hours	=	\$80.00	\$42.75 x 0.5	= \$21.38
		<u>\$406.10</u>		

Wednesday Hours

\$44.80/hr x 8 hours	=	\$358.40		
\$25.00/hr x 1 hour	=	\$25.00	\$463.40 ÷ 11 hours	= \$42.13
\$40.00/hr x 2 hours	=	\$80.00	\$42.13 x 0.5	= \$21.07
		<u>\$463.40</u>		

Thursday Hours

\$44.80/hr x 8 hours	=	\$358.40		
\$25.00/hr x 0.5 hour	=	\$12.50	\$450.90 ÷ 10.5 hours	= \$42.94
\$40.00/hr x 2 hours	=	\$80.00	\$42.94 x 0.5	= \$21.47
		<u>\$450.90</u>		

Calculate Total Wages Earned

Straight time (base rate)

\$44.80/hr x 29 hours	=	\$1,299.20
\$25.00/hr x 2 hours	=	\$50.00
\$40.00/hr x 16 hours	=	\$640.00
		<u>\$1,989.20</u>

Weighted average overtime

\$21.38 x 1.5 hours	=	\$32.06	Tuesday
\$21.07 x 3 hours	=	\$63.21	Wednesday
\$21.47 x 2.5 hours	=	\$53.68	Thursday
\$20.00 x 2 hours	=	\$40.00	Friday

PWR holiday OT

\$22.40 x 6 hours	=	\$134.40	Monday (Labor Day)
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Fringe benefit rate

\$19.21 x 29 hours	=	<u>\$557.09</u>
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Total Weekly Wages \$2,869.63