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**Employer Expenditures for Selected  
Supplementary Compensation Practices  
for Production and Related Workers**

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**MEATPACKING AND PROCESSING  
INDUSTRIES, 1962**

Bulletin No. 1413



**UNITED STATES DEPARTMENT OF LABOR**  
W. Willard Wirtz, Secretary

**BUREAU OF LABOR STATISTICS**  
Ewan Clague, Commissioner



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## Preface

This study was undertaken by the Bureau of Labor Statistics as a special project within the framework of a general survey of all manufacturing employers' expenditures for selected supplementary compensation practices. The general cooperation of the meatpacking and processing companies in providing the basic data enabled the Bureau to complete the project with confidence in the reliability of these published estimates of supplementary compensation expenditures for these industries.

The results of the broad survey of all manufacturing industries will be published later in the year. That report will show both the level of expenditures for 1962 and measures of change since 1959, the date of the first survey.

This study was conducted in the Bureau's Division of National Wage and Salary Income, by Norman J. Samuels, Chief of the Division, under the general direction of L. R. Linsenmayer, Assistant Commissioner for Wages and Industrial Relations. The analysis was prepared by Arnold Strasser.

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**Employer Expenditures for Selected Supplementary Compensation  
Practices for Production and Related Workers**

## **Meatpacking and Processing Industries, 1962**

### Summary

About 12.5 percent of the gross 1962 payroll for production and related workers in the meatpacking and processing industries<sup>1</sup> consisted of payments to the workers for leave time; premiums for overtime, weekend, holiday, and shift work; and yearend, Christmas, or other irregular bonuses. In addition, employers made payments equal to about 10 percent of the gross payroll for legally required insurance programs and selected private welfare plans.

The total expenditures for the selected practices in all meatpacking and processing plants amounted to 62 cents for every hour paid for during 1962, or 67 cents for each plant hour.<sup>2</sup> More than half of these expenditures, 34 cents an hour paid for or almost 37 cents per plant hour, were paid directly to production and related workers for leave time, premium payments, and bonuses. Among the items studied for which employers made payments to special funds or insurance companies, life, accident, and health insurance accounted for the largest expenditure—3.1 percent of gross payroll or almost 30 percent of total employer expenditures for legally required insurance programs and private welfare plans.

In general, the rate of expenditures for the supplementary practices studied tended to increase with establishment size and average wage. However, bonuses were paid more often by smaller units with lower average wages than by the larger or higher paying establishments. Nevertheless, about 58 percent of the workers in the plants that paid yearend, Christmas, or other irregular bonuses were employed by the larger units (those with 100 or more production and related workers).

### Industry Characteristics

In 1962, about four-fifths of the employees in the Nation's meatpacking and processing industries worked for establishments primarily engaged in the slaughtering of animals for their own account or on a contract basis, and one-fifth worked for meat processing establishments that manufacture sausages and other prepared meat and meat specialties. More than half the industries' employment was centered in the North Central States, and about one-fifth in the South.

While most of the industries' establishments are small, the vast majority of the employees worked for large units. Only 10 percent of all establishments had as many as 100 employees and only 2 percent employed 500 or more. However, about one-third of the workers were employed by plants with 100 to 500 workers and about two-fifths were employed by establishments with 500 or more. In general, those establishments primarily engaged in slaughtering were substantially larger

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<sup>1</sup> The meatpacking and processing industries include establishments classified, in accordance with the 1957 edition of the Standard Industrial Classification Manual, in SIC 2011—meatpacking plants and SIC 2013—sausages and other prepared meat products.

<sup>2</sup> Hours paid for consist of aggregate hours paid for during the year including "clothes-change time," other nonleave hours paid for but not worked, and paid leave hours. Plant hours exclude paid leave hours. The terms "plant hours" and "working hours" as used in this report are synonymous.

than those that manufacture sausages and other prepared meat products. Establishments in the North Central States were almost twice as large as those in other regions of the country.<sup>3</sup>

About 45 percent of the total number of employees (including production workers) in the industries worked for multiplant companies, establishments of which were primarily engaged in slaughtering.<sup>4</sup>

Approximately four-fifths of the production and related workers were employed by establishments in which a majority of the workers were covered by collectively bargained agreements.

### Prevalence of Supplements

All of the workers in the meatpacking and processing industries were covered by social security and almost all were also covered by unemployment insurance and workmen's compensation.<sup>5</sup> In addition, the vast majority of the workers (about 94 percent) were employed by establishments that had expenditures for some type of private welfare plan—usually life, accident, and health insurance.<sup>6</sup>

Paid leave time, primarily for vacations and holidays, was provided by establishments that employed more than 98 percent of the production workers, and premium payments for overtime, weekend, holiday, and shift work were made by establishments with about 94 percent of the production employment. About a third of the workers were employed by establishments that paid yearend, Christmas, or other irregular bonuses during 1962.<sup>7</sup>

### Paid Leave

Employer payments for leave time comprised 7.4 percent of the gross payroll and 7.8 percent of the straight-time payroll for production and related workers (chart and table 1). Leave expenditures were generally higher in larger, higher wage, or unionized establishments in metropolitan areas than in the smaller, lower wage, or nonunion establishments, located in nonmetropolitan areas. Expenditures in establishments that paid for leave averaged 20.3 cents for every hour paid for during the year or 22 cents per plant hour. Half of the workers were employed by establishments that had average expenditures of 20 cents or more an hour for leave, and 17.2 percent worked for plants in which expenditures averaged at least 30 cents for each hour paid for in 1962.

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<sup>3</sup> County Business Patterns, First Quarter, 1962, parts 1-10, U.S. Bureau of the Census.

<sup>4</sup> A multiplant company is considered to be one with two or more establishments classified in either one of the industries studied (SIC 2011 and 2013).

For additional data about multiplant companies and occupational wages and earnings in the meatpacking and processing industries, see Industry Wage Survey: Meat Products, November 1963 (BLS Bulletin 1415, 1964).

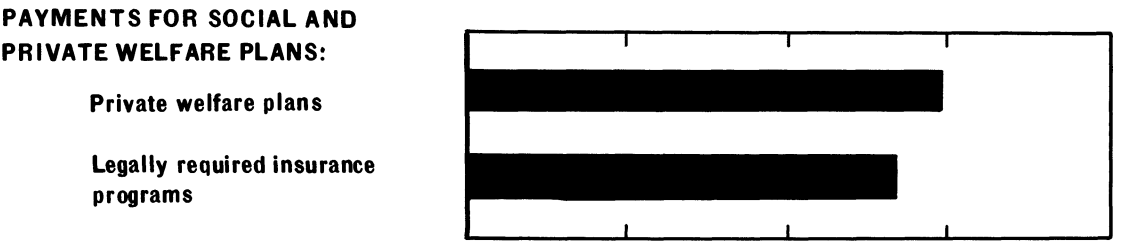
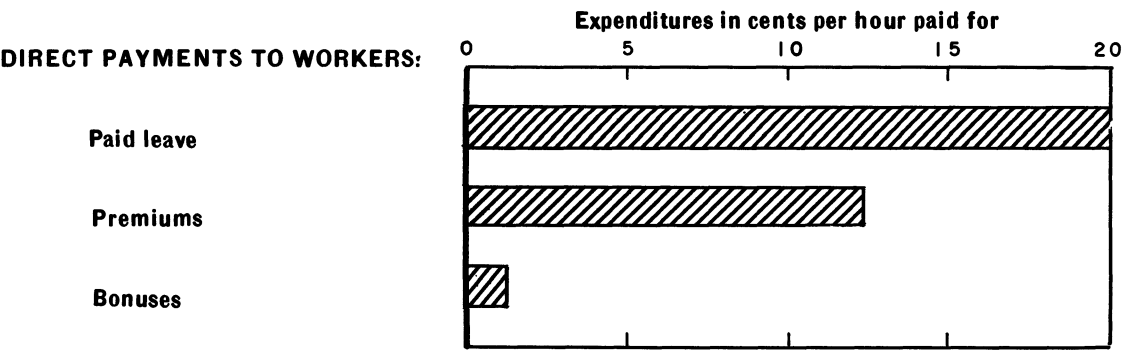
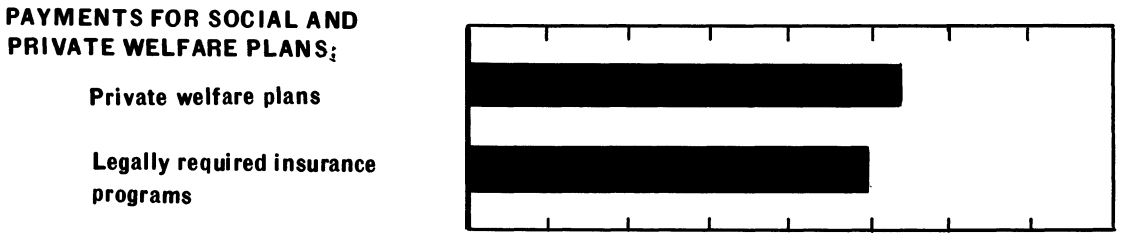
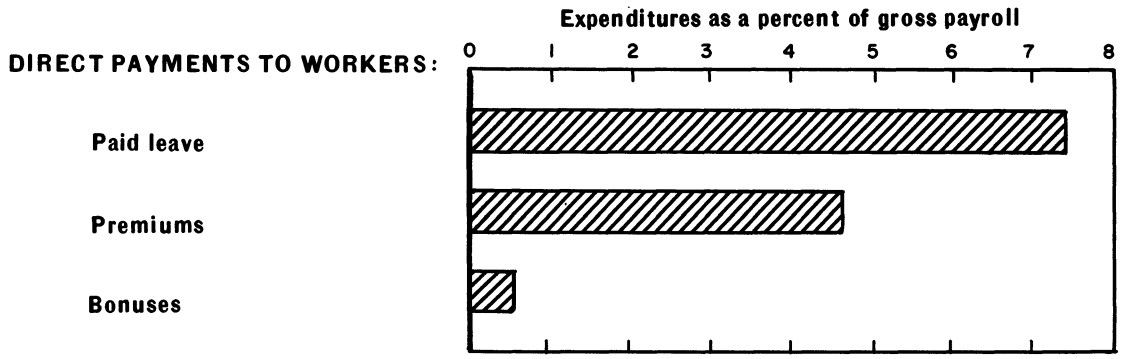
<sup>5</sup> All of the workers employed by establishments participating in the survey were covered by unemployment compensation. However, in some States the unemployment insurance laws do not cover workers in establishments with fewer than four workers. To the extent of the number of workers in such small establishments, the data for unemployment compensation presented in this report are overstated. The number of workers in establishments with fewer than four is estimated to comprise approximately 1 percent of total employment, and hence has little effect on the data.

<sup>6</sup> The percentages noted apply to all production and related workers, not the proportion of workers actually receiving the benefit.

<sup>7</sup> For purposes of this study, production bonuses, incentive and suggestion awards, and bonuses for longevity and perfect attendance were not considered to be yearend or irregular bonuses.



## Employer Expenditures For Selected Supplementary Compensation Practices For Production and Related Workers, Meatpacking and Processing Industries, 1962



Paid Vacations and Holidays. Expenditures for vacations and holidays constituted about 87 percent of total leave time payments. These payments were made by plants that employed about 98 percent of the production and related workers.<sup>8</sup>

Vacation payments comprised 4.2 percent of the industries' gross payroll and about 4.4 percent of the straight-time payroll. They ranged by establishment from under 1 percent to over 8 percent. (See table 2.) Large clusters of workers were employed by plants that had expenditures of 2, 3, and 5 percent for the practice. Establishments with expenditures of 5 percent or more of their gross production worker payroll were generally the largest employing units in the industries.

The aggregate vacation expenditure, when divided among all 1962 hours paid for, amounted to 11.3 cents an hour in all establishments or 11.5 cents in those that had expenditures. In terms of plant hours, the latter establishments had expenditures that averaged 12.5 cents.<sup>9</sup>

In all establishments employer payments for holiday leave accounted for 2.3 percent of gross payroll and 2.4 percent of the straight-time payroll for production and related workers. These payments among the establishments that had expenditures averaged 6.4 cents an hour or 7 cents per plant hour.<sup>10</sup> Higher expenditures, as a percent of gross payroll and in cents per hour were generally made by the larger establishments. Most of the workers employed by establishments that had no expenditure for holiday leave worked in plants located in non-metropolitan areas of the South. The remainder were scattered among the other areas of the country.

Sick Leave and Other Paid Leave. About 62 percent of the industries' production and related workers were employed by meatpacking and processing establishments that had expenditures for paid sick leave, and approximately 51 percent worked for plants that had expenditures for military, jury, witness, voting, and other personal leave.

Expenditures for these types of leave were made most frequently by large unionized establishments. A greater proportion of the production workers in the West and Northeast, than in the North Central or South, were employed by plants that paid for sick time. Military, jury, witness, voting, and other personal leave was most prevalent in the North Central States, where over 60 percent of the workers in this region worked for packers and processors that had expenditures for those types of leave.

Total expenditures for paid sick leave and other paid leave amounted to 0.9 percent of the industries' gross payroll and 1 percent of the straight-time payroll. In establishments that had expenditures in 1962 for these types of paid leave, 1.2 percent of the gross payroll consisted of payments for sick time and 0.2 percent was for military, jury, witness, voting, and other personal leave.

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<sup>8</sup> The establishments in the survey sample were also asked to provide data about their payments to vacation and holiday funds. The respondents reported that they did not make such payments.

<sup>9</sup> It should be noted that the basis of computation used to determine a worker's vacation pay varies among establishments. In establishments that make production incentive payments, the vacation pay is usually an average of the total earnings during some previous time period. In some instances that period is the previous year and in others the preceding weeks. Payments for clothes-changing time, suggestion awards, or bonuses received during the base period may be excluded from the base earnings. Because the payments are based on a previous earnings period, the employer's payments for a workers' vacation may be at a lower hourly rate than for current working hours; conversely, if the base period earnings were high, the vacation payment may be at a higher hourly rate than for current working hours.

<sup>10</sup> The holiday pay received by production and related workers in these industries is usually based on the worker's "basic" or "regular" rate of pay and generally excludes incentive earnings.

Sick leave payments ranged from less than 1 percent of gross payroll to less than 4 percent. Only 11 percent of all workers, 18 percent of those in plants with expenditures, were employed by establishments whose sick leave expenditures comprised 2 percent or more of the gross payroll. In terms of cents per hour, the employer expenditures, among those establishments that paid for sick leave in 1962, amounted to 3.6 cents each hour paid for as either working or leave time or almost 4 cents per working hour. The largest concentration of workers, 25 percent of those in plants with expenditures, were employed by establishments whose expenditures for sick leave averaged between 2 and 4 cents for each hour paid for.<sup>11</sup>

Expenditures in establishments that paid for military, jury, witness, voting, and other personal leave amounted to 0.2 percent of gross payroll and were at an average rate of 0.5 cents per hour paid for during 1962. Almost half (49 percent) of the total production workers were employed by establishments whose expenditures for these types of paid leave comprised less than 1 percent of gross payroll, and about the same proportion (48 percent, table 3) worked for plants whose expenditures were at an average rate of less than 1 cent per hour paid for.

#### Overtime, Weekend, Holiday, and Shift Premiums

Employer expenditures for overtime, weekend, holiday, and shift premiums comprised 4.6 percent of the industries' gross payroll and 4.8 percent of the straight-time payroll. These premiums were paid by establishments that employed over 94 percent of all of the production and related workers in meat-packing and processing plants. Among those plants that had such expenditures, the premiums comprised 4.8 percent of the gross payroll and 5.1 percent of straight-time payroll.

Most of the premium expenditures were for overtime, weekend, and holiday work. The premium payments, in establishments that had expenditures for hours of work that were not part of the normal or regular week, other than shift work, amounted to 4.4 percent of the gross payroll and 4.6 percent of the straight-time payroll for production and related workers. These plants employed about 94 percent of the industries' production and related workers. About 52 percent of the total production workers (56 percent of those in establishments with expenditures) were employed by plants whose premium payments for overtime, weekend, or holiday work comprised between 2 to 5 percent of their gross payroll.<sup>12</sup> These data indicate that approximately 7 to 10 percent of all hours paid for in 1962 were either overtime hours, or weekend, or holiday hours that were worked.<sup>13</sup> Employer payments of premiums for overtime, weekend, or

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<sup>11</sup> Many of the collectively bargained agreements in these industries contained provisions for paid sick leave. The plan found in a large proportion of these agreements provided for a sliding scale of payments—about 50 to 65 percent of regular pay excluding incentive earnings. These payments are generally made after a 7-day waiting period. There is no waiting period, however, for workers who have a specified number of years of service. Benefits are usually paid for 13 weeks or 2 weeks for each year of service, whichever is more, reduced by the amount of sick leave paid for in a previous period.

<sup>12</sup> For ease of reading in this and subsequent discussions of tabulations, the limits of the class intervals are designated as 2 to 5 percent, 1 to 6 cents, etc., instead of using the more precise terminology, 2 and under 5 percent, 1 and under 6 cents, etc.

<sup>13</sup> Many union contracts in these industries provide for payments of time and one-half for overtime and Saturday work, and double time for Sunday and holiday work. The holiday rate is in addition to regular holiday pay. The data in this section reflect only the premium portion of the payments and exclude the basic pay for the time worked. Also excluded, in the case of holidays, are the payments that would have been made even if the day had not been worked. That portion of holiday pay is included in the data pertaining to paid leave. Some contracts indicate that workers employed in plants that operate 7 days a week are not paid these premiums for weekend days worked as part of the regular workweek. These workers, in most cases, are compensated at a different rate of pay for the weekend hours than for the other hours in their workweek. The additional compensation for the sixth and seventh day as such, is included in the above data.

holiday work, when divided among all hours paid for in establishments that had these expenditures, amounted to 11.9 cents, or 12.9 cents per working hour.

Shift differentials comprised a very small proportion of the industries' total payroll for production workers. About 0.4 percent of the gross payroll and of the straight-time payroll, for production and related workers in all meatpacking and processing plants, was paid as a differential for working hours outside of those hours usually worked on the day shift. Among the plants that had expenditures for differentials, the payments amounted to only a slightly greater proportion of payroll—0.6 percent of both gross and straight-time payrolls. The most usual shift differential reported by the survey respondents was 12 cents above the regular day rate. However, the employer expenditure when averaged among total paid hours amounted to 1.6 cents; on a plant hour basis, the expenditure was 1.8 cents.<sup>14</sup>

### Yearend, Christmas, and Other Irregular Bonuses

Bonus payments, amounting to only about one-half percent of the industries' total payrolls, are not prevalent in these industries.

More small establishments than large, as previously indicated, reported having expenditures for bonuses during 1962. However, 58 percent of the workers in establishments with bonus expenditures were employed by meatpacking and processing plants that had 100 or more production and related workers.

Bonus payments accounted for 1.5 percent of the gross payroll of the plants with the expenditure. Nearly four-fifths of the workers in establishments with the expenditure were employed by plants whose bonus payments accounted for less than 2 percent of gross payroll. About 3 percent worked for units whose bonus expenditures amounted to more than 5 percent of the gross production worker payroll.

### Legally Required Insurance Programs

In all establishments, employer expenditures of 13.4 cents per paid hour or 14.5 cents per plant hour covered production and related workers under social security, unemployment insurance, workmen's compensation, and other legally required insurance programs.<sup>15</sup> These payments were equal to about 5 percent of the industries' production worker payrolls.

Expenditures for social security (old-age, disability, and survivors insurance) accounted for half of the employer payments for all legally required social insurance programs. The payments, made under the provisions of the Federal Insurance Contribution Act, were at the rate of 3.125 percent of the first \$4,800 earned in covered employment by each worker during 1962. The actual employer payments were equal to about 2.5 percent of their production worker payroll. About 9 percent of the workers were employed by establishments whose expenditures for social security averaged less than 2 percent and about 20 percent of the workers were employed by plants whose payments equaled 3 percent or more of the gross production worker payroll. These expenditures averaged 6.7 cents per hour paid for, or 7.3 cents per working hour.

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<sup>14</sup> For additional information about provisions for shift differentials and the proportion of production workers actually receiving differential rates, see BLS Bulletin 1415, 1964, op. cit.

<sup>15</sup> Temporary disability insurance was required by law, during 1962, in California, New Jersey, New York, and Rhode Island. Under certain circumstances, employers were required to make payments to the Ohio Disabled Workmen's Relief Fund.

Unemployment compensation payments by meatpackers and processors were equal to about 1.4 percent of their gross payroll. These expenditures, which averaged 3.9 cents per hour paid for, or 4.2 cents per plant hour, were composed of State and Federal taxes on the first \$3,000 of each worker's earnings in most States.<sup>16</sup>

About 71 percent of the production workers were employed in plants whose unemployment contribution rate was equal to less than 2 percent of their gross payroll. Almost a third (32 percent) worked for plants whose State and Federal unemployment insurance contributions was equal to less than 1 percent of their payroll. However, 84 percent of the workers were employed by establishments whose contributions ranged from 1 to 5 cents per hour paid for and about 15 percent worked for plants whose expenditures were between 6 and 12 cents per paid hour.

Workmen's compensation expenditures, paid to State insurance funds, private insurance carriers, or directly to the workers were made by establishments that employed 98.4 percent of the production workers. These payments equaled 1 percent of the total production worker payroll. Over 53 percent of the workers were employed by plants whose expenditures for workmen's compensation programs equaled less than 1 percent of payroll, and only about 1 percent worked for plants whose payments exceeded 4 percent of the gross production payroll. In all establishments these payments, for protection against job-connected injury or illness, averaged 2.7 cents per hour paid for, or about 3 cents per working hour. They ranged from under 1 cent to more than 10 cents per hour. A majority of the workers (62.1 percent) were employed by plants whose expenditures were under 3 cents per paid hour.

### Private Welfare Plans

Almost 94 percent of the production and related workers in the meatpacking and processing industries were employed by establishments that had expenditures in 1962 for some type of private welfare plan. The most prevalent private plan provided one or more forms of life, accident, or health insurance. Slightly less than 94 percent of the industries' workers were employed by plants that provided such insurance protection. Pensions or retirement plans, provided by plants with almost 67 percent of the production work force, were the second most prevalent, and a fourth of the workers were employed by establishments that had expenditures for severance or dismissal pay. A few of the larger establishments made payments to savings and thrift funds and supplementary unemployment benefit plans.

In all establishments employer payments for private welfare plans equaled 5.4 percent of the gross production and related worker payroll and averaged 14.7 cents per hour paid for. Expenditures, among those plants that paid for one or more private plans, were equal to 5.7 percent of their gross production worker payroll and amounted to 15.6 cents per paid hour or 17 cents per working hour. These employer payments ranged from under 1 cent to more than 30 cents per paid hour. There were no clusters (modal groupings) evident in the distribution. About 53 percent of all production workers, however, were employed by plants with expenditures that equaled from 5 to 9 percent of their production and related worker payrolls.

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<sup>16</sup> The wage base in nine States was higher than \$3,000. These States and the wage base in each are: Alaska—\$7,200; California and Oregon—\$3,800; Delaware, Hawaii, Massachusetts, Nevada, Rhode Island, and West Virginia—\$3,600. Contribution rates for Federal taxes were 0.8 percent of the first \$3,000 of earnings in all States except Alaska and Michigan. The rate was 1.1 percent in Alaska and 0.95 percent in Michigan.

Life, accident, and health insurance expenditures accounted for more than half of the employer payments for private welfare plans, equaling 3.1 percent of the industries' gross payrolls. Spread among all hours paid for in 1962, these payments amounted to 8.5 cents. The expenditures in establishments that paid for one or more insurance plans amounted to 9.1 cents per paid hour, or 9.8 cents per plant hour.

Insurance protection was provided by plants of all sizes. However, almost all of the plants that reported no expenditure for insurance plans employed fewer than 100 production workers and most had fewer than 20 workers. In general, the level of establishment expenditures tended to increase with the number of employees. However, some small plants were at the highest expenditure levels. The expenditures, as a percent of gross payroll, ranged from amounts equal to less than 1 percent to over 5 percent. Most workers were employed by plants whose expenditures were at the 2, 3, and 4 percent levels. In terms of cents per hour, the largest grouping of workers, about 35 percent, was employed by plants whose expenditures for insurance were between 9 and 12 cents per paid hour.

Pension or retirement expenditures equaled 2.1 percent of the industries' gross payroll and 2.9 percent in plants that made payments in 1962 for these plans. Almost all of the plants with expenditures reported that the majority of their production and related workers were covered by collectively bargained agreements and most of these plants employed 100 or more workers. About 52 percent of the industries' production and related workers, 78 percent of those in plants with expenditures, worked for establishments whose expenditures for pensions or retirement plans equaled at least 1 percent and less than 4 percent of gross payroll. In terms of cents per hour, these employer payments averaged 8.5 cents per hour paid for or 9.4 cents per working hour. Measured in these terms, the employer payments ranged from less than 1 cent per hour paid for to over 15 cents. About 45 percent of the workers, approximately 67 percent of those in establishments with expenditures, worked for meatpacking and processing plants that paid an average of 7 to 12 cents an hour for these plans.

Severance or dismissal payments were made by establishments that employed about 25 percent of the industries' production and related workers. As indicated previously, almost all of the plants that made such payments employed more than 100 workers. All of these large units had collectively bargained agreements which covered a majority of their production and related workers.

Expenditures among all plants amounted to less than one-half cent per paid hour. The payments averaged 1.4 cents per hour paid for in plants with severance or dismissal expenditures, or 1.6 cents per plant hour. These expenditures equaled one-tenth percent of the industries' production payrolls and half of 1 percent of the gross payroll in those plants that had expenditures for severance or dismissal pay.<sup>17</sup>

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<sup>17</sup> Severance payments in these industries are usually made to workers with 1 year or more of continuous service when a plant or department is permanently closed. Some union contracts also provide for severance payments to workers who have been in layoff status for a specified period of time—usually 2 years. Additional information about these payments will be presented in a BLS report on severance pay and related plans in major collective bargaining agreements to be released later this year. Also see *Wage Chronology: Armour and Co., 1941-63* (BLS Report 187, revised 1963), and the October 1959 issue of the *Monthly Labor Review* (pp. 1109-1110) for information about severance and other payments resulting from technological change.

### Composition of Payroll Hours

In 1962, 92.4 percent of all hours for which production and related workers were paid were working hours. The balance was divided among vacation, holiday, sick leave, and other types of paid leave hours. Workers who were employed by establishments with leave expenditures (98.4 percent of all production and related workers) were paid for an average of 21 days of leave during the year.

About 87 percent of all paid leave hours were for vacations and holidays. These accounted for an average of about 18 days per man year or about 1 hour of paid leisure time for every 14 hours of working time. The remainder of the paid leave hours consisted of sick leave and military, jury, witness, voting, and other personal leave. The tabulation below shows the ratio of leave time, by type of leave, to total hours paid for.

Distribution of hours paid, for production and related workers,  
meatpacking and processing industries, 1962

Hours	Percent of—	
	Total hours	Leave hours
Total paid hours-----	100.0	-
Plant hours <sup>1</sup> -----	92.4	-
Leave hours <sup>2</sup> -----	7.6	100.0
Vacation-----	4.2	54.7
Holiday-----	2.5	32.7
Sick-----	.9	11.3
Other <sup>2</sup> -----	.1	1.4

1 For purposes of this study, "plant" or "working" hours included hours worked and other nonleave hours paid for including time not worked but spent at the plant and time away from the plant but under company direction and control.

2 Includes military, jury, witness, voting, and other personal leave.

NOTE: Because of rounding, sums of individual items may not equal totals.

The greatest proportion of leave to plant time was reported by establishments in the North Central States, and the least was reported by those in the South. About 8.4 percent of all hours paid for by North Central plants were leave hours. In the South, paid leave hours accounted for 5.1 percent of total hours.

Table 1. Employer Expenditures for Supplementary Compensation Practices for Production and Related Workers, Meatpacking and Processing Industries, 1962

Practice	Expenditures by—							
	All establishments				Establishments with expenditures <sup>1</sup>			
	Percent of payroll		Cents per hour		Percent of payroll		Cents per hour	
	Gross	Straight-time	Paid for	Plant	Gross	Straight-time	Paid for	Plant
Paid leave .....	7.4	7.8	20.0	21.7	7.5	7.8	20.3	22.0
Vacation .....	4.2	4.4	11.3	12.2	4.2	4.5	11.5	12.5
Holiday .....	2.3	2.4	6.2	6.7	2.3	2.5	6.4	7.0
Sick leave .....	.8	.9	2.2	2.4	1.2	1.3	3.6	3.9
Military, jury, witness, voting, and other personal leave .....	.1	.1	.3	.3	.2	.2	.5	.6
Premium payments .....	4.6	4.8	12.4	13.4	4.8	5.1	13.2	14.3
Overtime, weekend, or holiday work .....	4.2	4.4	11.3	12.2	4.4	4.6	11.9	12.9
Shift differential .....	.4	.4	1.2	1.2	.6	.6	1.6	1.8
Yearend, Christmas, and other irregular bonuses .....	.5	.5	1.3	1.4	1.5	1.6	4.1	4.3
Legally required insurance programs .....	5.0	5.2	13.4	14.5	5.0	5.2	13.4	14.5
Social security .....	2.5	2.6	6.7	7.3	2.5	2.6	6.7	7.3
Unemployment compensation .....	1.4	1.5	3.9	4.2	1.4	1.5	3.9	4.2
Workmen's compensation .....	1.0	1.0	2.7	2.9	1.0	1.1	2.7	2.9
Other <sup>2</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	.1	.1	.6	.6	1.6	1.8
Private welfare plans <sup>4</sup> .....	5.4	5.7	14.7	15.9	5.7	6.0	15.6	17.0
Life, accident, and health insurance .....	3.1	3.3	8.5	9.2	3.3	3.4	9.1	9.8
Pension and retirement plans .....	2.1	2.2	5.7	6.2	2.9	3.0	8.5	9.4
Severance and dismissal pay .....	.1	.1	.4	.4	.5	.5	1.4	1.6

<sup>1</sup> Detail by practice, for establishments with expenditures, does not add to total because of a change in the base used in computing each of the components.

<sup>2</sup> Principally State Temporary Disability Insurance.

<sup>3</sup> Less than 0.05 percent.

<sup>4</sup> Detail does not add to total. Included in the total are data, not presented separately, for savings and thrift, and supplemental unemployment benefit plans.

NOTE: Because of rounding, sums of individual items may not equal totals.



Table 2. Distribution of Production and Related Workers by Employer Expenditures as a Percent of Gross Payroll, for Selected Supplementary Compensation Practices, Meatpacking and Processing Industries, 1962

Practice	Workers in all establishments (percent)	Percent of workers in establishments with—											
		No expenditures for the practice	Expenditures for the practice as a percent of gross payroll of—										
			Under 1	1 and under 2	2 - 3	3 - 4	4 - 5	5 - 6	6 - 7	7 - 8	8 - 9	9 - 10	10 and over
Paid leave .....	100.0	1.6	0.7	1.8	7.1	6.3	8.8	13.9	10.9	10.9	9.8	10.3	<sup>1</sup> 17.9
Vacation .....	100.0	2.4	2.4	10.1	17.8	19.9	14.0	20.8	10.5	1.0	1.1	-	-
Holiday .....	100.0	3.7	4.8	18.5	63.6	8.6	.9	-	-	-	-	-	-
Sick leave .....	100.0	38.3	24.7	25.6	9.6	1.7	-	-	-	-	-	-	-
Military, jury, witness, voting, and other personal leave .....	100.0	48.8	49.0	2.2	-	-	-	-	-	-	-	-	-
Premium payments .....	100.0	5.9	5.0	4.7	11.5	16.4	19.2	12.5	7.0	7.7	4.0	2.6	3.3
Overtime, weekend, or holiday work .....	100.0	6.2	5.3	6.4	14.8	18.5	18.8	9.4	5.6	6.4	4.7	1.0	3.0
Shift differential .....	100.0	30.9	62.8	5.4	.9	-	-	-	-	-	-	-	-
Yearend, Christmas, and other irregular bonuses .....	100.0	67.0	15.9	10.3	1.8	1.7	.4	.7	.4	.7	.2	.7	.2
Legally required insurance programs <sup>2</sup> .....	100.0	-	-	-	8.0	18.6	24.2	16.3	14.0	10.5	5.9	1.8	.7
Social security .....	100.0	-	-	9.3	70.7	20.2	-	-	-	-	-	-	-
Unemployment compensation .....	100.0	-	32.0	39.1	21.0	6.6	1.1	.2	-	-	-	-	-
Workmen's compensation .....	100.0	1.6	53.2	30.8	7.7	5.9	.7	.1	-	-	-	-	-
Private welfare plans <sup>3</sup> .....	100.0	6.1	3.7	6.4	9.1	9.2	8.6	17.2	9.8	14.2	12.0	3.3	.4
Life, accident, and health insurance .....	100.0	6.4	4.1	9.0	24.8	34.9	16.2	4.0	.4	-	-	-	.2
Pension and retirement plans .....	100.0	33.1	4.6	9.8	20.6	21.6	9.9	.2	-	.1	-	-	-
Severance or dismissal pay .....	100.0	74.6	23.3	.2	-	1.7	-	-	-	-	.2	-	-

<sup>1</sup> The workers in establishments with expenditures of 10 percent or more for paid leave were distributed as follows: 10 to 11 percent—7.6; 11 to 12 percent—6.5; 12 to 13 percent—2.1; 13 to 14 percent—0.6; and 14 to 15 percent—1.1.

<sup>2</sup> Includes data for other legally required insurance, principally State Temporary Disability Insurance, not presented separately.

<sup>3</sup> Includes data for savings and thrift, and supplemental unemployment benefit plans not presented separately.

NOTE: Because of rounding, sums of individual items may not equal 100.

Table 3. Distribution of Production and Related Workers by Employer Expenditures in Cents Per Hour Paid For, Selected Supplementary Compensation Practices, Meatpacking and Processing Industries, 1962

Practice	Workers in all establishments (percent)	Percent of workers in establishments with—																	
		No expenditures for the practice	Expenditures for the practice in cents per hour paid for—																
			Under 1	1 and under 2	2 - 4	4 - 6	6 - 8	8 - 10	10 - 12	12 - 14	14 - 16	16 - 18	18 - 20	20 - 22	22 - 24	24 - 26	26 - 28	28 - 30	30 and over
Paid leave .....	100.0	1.6	0.2	0.5	4.9	3.8	4.7	5.4	4.5	6.4	6.9	7.0	4.3	2.6	6.4	8.5	9.6	5.4	17.2
Vacation .....	100.0	2.4	.7	2.8	7.5	11.3	10.5	10.4	8.5	8.6	11.6	9.6	7.8	5.3	2.9	-	-	.2	-
Holiday .....	100.0	3.7	2.1	4.6	10.0	10.3	52.5	15.0	2.0	.2	-	-	-	-	-	-	-	-	-
Sick leave .....	100.0	38.3	13.2	5.4	21.0	12.7	7.0	2.1	-	.3	-	-	-	-	-	-	-	-	-
Military, jury, witness, voting, and other personal leave .....	100.0	48.8	48.0	1.0	2.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium payments .....	100.0	5.9	.5	1.5	6.2	3.5	7.5	15.5	12.3	16.0	8.2	6.6	3.9	4.2	2.2	.6	2.1	1.9	1.4
Overtime, weekend, or holiday work .....	100.0	6.2	.2	3.8	5.2	5.0	12.4	15.7	15.7	10.9	6.4	5.7	3.7	1.3	2.9	2.4	1.2	-	1.4
Shift differential .....	100.0	30.9	16.2	37.3	13.1	1.8	.7	-	-	-	-	-	-	-	-	-	-	-	-
Yearend, Christmas, and other irregular bonuses .....	100.0	67.0	6.6	7.7	8.3	5.4	1.8	-	.1	-	1.6	.4	-	.2	.5	.5	-	-	-
Legally required insurance programs <sup>1</sup> .....	100.0	-	-	-	.1	2.6	12.5	23.0	29.2	12.4	4.9	6.5	3.9	1.1	1.8	.6	.8	.5	-
Social security .....	100.0	-	-	2.3	20.4	62.8	13.2	.8	.5	-	-	-	-	-	-	-	-	-	-
Unemployment compensation .....	100.0	-	.3	15.8	39.4	29.2	12.0	2.5	.9	-	-	-	-	-	-	-	-	-	-
Workmen's compensation .....	100.0	1.6	20.0	23.6	33.9	12.4	4.2	2.1	1.9	-	.3	-	-	-	-	-	-	-	-
Private welfare plans <sup>2</sup> .....	100.0	6.1	1.5	1.8	8.2	4.0	6.1	4.7	7.2	5.1	9.0	5.9	8.0	8.9	9.7	4.9	2.4	2.3	4.3
Life, accident, and health insurance .....	100.0	6.4	1.5	2.6	10.1	6.5	14.4	16.9	23.3	9.9	3.8	1.4	1.8	.5	1.1	-	-	-	-
Pension and retirement plans .....	100.0	33.1	2.3	2.1	4.2	7.9	12.0	12.7	13.6	10.9	1.1	-	-	-	-	-	-	-	-
Severance or dismissal pay .....	100.0	74.6	22.4	.9	.2	-	-	1.1	.6	-	-	-	-	-	-	-	.2	-	-

<sup>1</sup> Includes data for other legally required insurance, principally State Temporary Disability Insurance, not presented separately.

<sup>2</sup> Includes data for savings and thrift, and supplemental unemployment benefit plans not presented separately.

NOTE: Because of rounding, sums of individual items may not equal 100.

## Appendix A: Scope and Method of Survey

### Scope of Survey and Industry Classification

This study of employer expenditures for supplementary compensation practices for production and related workers covers all establishments classified, in accordance with the 1957 edition of the Standard Industrial Classification Manual (SIC) prepared by Bureau of the Budget, in SIC 2011—meatpacking plants, and SIC 2013—sausages and other prepared meat products. Establishments primarily engaged in killing, dressing, packing or canning poultry, rabbits, and other small game were excluded from this study.

Survey coverage extended to the 50 States and the District of Columbia. Data relate to the calendar year 1962, and were limited to employer expenditures for production and related workers.

### Collection of Data

Data were collected primarily by mail questionnaire. However, personal visits were made by Bureau representatives to about 15 percent of the sample. Personal visits were also made to a sample of establishments that had not responded to two mail requests. The questionnaire and explanation sheet, which defines the terms, used in the survey are reproduced in appendix B.

### Sampling Procedure

The survey was conducted on the basis of a highly stratified probability sample. Data were obtained from establishments selected by location and employment size. The sample was designed to permit presentation of data for the industries on a national level.

In all cases, the lists of establishments from which the sample was selected were those maintained by the State agencies administering the unemployment compensation laws. These lists show the employment, industry classification, and location of all establishments covered by those laws in each State. Since some States do not cover establishments with fewer than four employees under their unemployment compensation laws, the sample did not include establishments in this size group. (See method of estimation for treatment of the employment in such establishments.)

Within each industry the sample was so selected as to yield the most accurate estimates possible with the resources available. This was done by including in the sample a greater proportion of large establishments than of small. In general, an establishment's chance of selection was roughly proportionate to its employment size.

The initial solicitations, either by mail or by personal visit, included some 444 establishments. In addition, personal visits were made to about 35 establishments out of about 120 nonrespondents to the two mail requests. In all, usable replies were obtained from 229 establishments, employing over 85,600 production and related workers.

### Method of Estimation

Data for each sample establishment were weighted in accordance with the probability of selection of that establishment. For instance where 1 establishment out of 5 was selected in a size-industry class, it was considered as representing itself as well as four other establishments, i.e., it was given a weight of 5. Thus, if the establishment had 1,000 hours of vacation leave and 50,000 hours of paid hours of all classes, it would contribute 5,000 vacation hours and 250,000 total hours to the final estimate.

All estimated totals derived from such weighting procedures were further adjusted to the level of gross man-hours in 1962, based on data from the Bureau's monthly employment

statistics program, in each of four broad economic regions.<sup>18</sup> For instance, if the level of estimated gross man-hours, as derived from the weighting procedures, was 40,000,000, and the corresponding level of man-hours as shown by the employment statistics series was 44,000,000, the total was multiplied by 1.1.

The adjusted data represent all establishments, including those with fewer than four employees, in the industries studied. These establishments are estimated to employ about 191,600 production and related workers.

### Reporting Problems

Separate data by establishment, supplementary compensation practice, and class of employee (production worker) were collected in most cases. However, all companies do not keep records in such manner as to be able to furnish actual figures in this detail, and some approximations had to be accepted. Two types of estimates were used. First, where records were kept only for a broader group of employees than production and related workers in the sample establishment, the prorated share for the employees included in the survey was estimated on the basis of employment, man-hours, or payroll, whichever was most appropriate. Second, using collateral data, estimates were made in certain cases where records were not kept or were summarized only for specific practices. For example, the expenditures for holiday pay might be estimated by multiplying the number of hours paid for holiday leave by average hourly earnings.

It should be noted that errors in the use of estimating procedures would have to be in the same direction in each case (overstatement or understatement of actual values) to have a cumulative effect on the accuracy of the results. Analysis of the data from two similar surveys provided evidence to support acceptance of estimated data where this was necessary. Thus, a methodological study led to the conclusion that "Virtually no significant difference was reflected by the averages for actual figures and for all reporting establishments combined; that is, the inclusion of estimated figures had only a negligible effect on overall data."<sup>19</sup> A study of the composition of payroll hours in manufacturing concluded that "the difference in level of paid leave between establishments supplying actual and those providing estimated figures is generally small . . . within most industry divisions."<sup>20</sup>

### Definition of Terms

Expenditure ratios for "all establishments" represent the expenditures for the supplement divided by the payroll for all establishments—both those with and without expenditures—whereas the ratios for "establishments with expenditures for the practice" relate the same expenditures to the payroll of only those establishments that reported actual expenditures for the supplement. The former measure can be related to published data for entire industries, such as average hourly earnings shown in the BLS monthly series. The latter measure is useful for determining the average expenditure by firms that actually have the practice. The expenditure rates represent the same expenditures divided by the corresponding man-hours.

Both the expenditures and the payrolls (man hours) to which they are related pertain to production and related workers only.

<sup>18</sup> The regions used in this study are: Northeast—Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont; South—Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia; North Central—Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin; and West—Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

<sup>19</sup> Problems in Measurement of Expenditures on Selected Items of Supplementary Employee Remuneration, Manufacturing Establishments, 1953 (BLS Bulletin 1186, 1956), p. 46.

<sup>20</sup> Composition of Payroll Hours in Manufacturing, 1958 (BLS Bulletin 1283, 1960), p. 25.

The expenditure ratios used in this report were obtained by using the following formulas:

1. Expenditure as a percent of gross payroll=  

$$\frac{\text{Expenditure for the practice}}{\text{Gross payroll}}$$
2. Expenditure as a percent of straight-time payroll=  

$$\frac{\text{Expenditure for the practice}}{\text{Gross payroll minus premium payments for overtime, weekend, holiday, and shift work}}$$
3. Expenditure in cents per hour paid for=  

$$\frac{\text{Expenditure for the practice}}{\text{Total hours paid for including hours of paid leave}}$$
4. Expenditure in cents per plant or working hour=  

$$\frac{\text{Expenditure for the practice}}{\text{Total hours paid for minus leave hours paid for}}$$

The other terms used in this survey are defined in the "Explanation Sheet," (appendix B), which was given to each establishment in the survey sample.

#### Practices Covered

The study was limited to cash disbursements of employers during 1962 and thus excluded amounts, segregated in bookkeeping transactions, over which the establishment retained control.

The information, in footnotes, about methods of computation of vacation, holiday, sick leave, and premium payments, and the information about severance pay plans, was obtained from collective bargaining agreements in the Bureau's files. These agreements were between various unions and single unit and multiplant companies.

The practices studied, which are itemized in the tables, are believed to comprise the major elements of supplementary compensation for production and related workers in the meatpacking and processing industries. Some of the omitted practices, however, may occasion important expenditures in particular establishments. Among the excluded practices were stock bonus plans and some other irregular payments, and expenditures for such facilities as in-plant medical care, cafeteria, recreation, and parking.

## Appendix B. Questionnaire

BLS 2669  
(Rev. '63)

Budget Bureau No. 44-R1127.1  
Approval expires 12-31-63

**U.S. DEPARTMENT OF LABOR**  
**BUREAU OF LABOR STATISTICS**  
**WASHINGTON 25, D.C.**

Your reply will be held in confidence.

EXPENDITURES FOR SELECTED COMPENSATION PRACTICES  
IN MANUFACTURING INDUSTRIES, 1962

- |                                   |  |
|-----------------------------------|--|
| <p>1. COMPANY IDENTIFICATION:</p> | <p>2. ESTABLISHMENT IDENTIFICATION:</p> <p style="font-size: small;">Location of establishment for which data are requested if different from company address. An "establishment" is generally defined as a single physical location where business is conducted or where services or industrial operations are performed.</p> |
|-----------------------------------|--|

PLEASE READ EXPLANATION SHEET BEFORE COMPLETING THIS FORM

3. MAJOR PRODUCT:
- What was the principal product produced at this establishment during 1962? \_\_\_\_\_

4. EMPLOYMENT:
- What was the total number of employees (including full-time and part-time) on the payroll of this establishment during the pay period ending nearest the 15th of the month?

<u>All employees</u>	<u>Production and related workers</u>
March _____	March _____
June _____	June _____
September _____	September _____
December _____	December _____

5. GROSS PAYROLL FOR ALL EMPLOYEES:
- Enter the total of all wages, salaries, bonuses, and commissions for all employees prior to all payroll deductions in 1962. (You may use the definition of gross pay that is used for income tax purposes on the Withholding Tax Form.) \_\_\_\_\_

Data should be reported in the items which follow only for PRODUCTION AND RELATED WORKERS in the establishment identified above. If company records are not so maintained, please prorate the combined figures on the company books. Proration may be made on the basis of employment, man-hours, payroll, or other appropriate means. If a reasonable method of prorating a combined figure cannot be found, enter the combined figure and do the following:

For a figure relating to more than one establishment, indicate in the "Remarks" section the establishments that are included.

For a figure that covers more than production workers, please indicate in the "Remarks" section what other categories of workers are included.

For a figure combining data for several lines, bracket the lines included in the combined figure or explain in the "Remarks" section which lines are included.

IF NO MAN-HOURS OR EXPENDITURES WERE INVOLVED DURING 1962 FOR A GIVEN ITEM, ENTER "none" IN THE APPROPRIATE SPACE. PLEASE DO NOT LEAVE ANY LINES BLANK.

FOR BLS USE ONLY							
Schedule number	Reg.	State	City size	SIC code	Est. size	Weight	Special charac.

6. ANNUAL PAYROLL EXPENDITURES AND MAN-HOURS:

A. GROSS PAYROLL AND TOTAL MAN-HOURS:

Enter the total of all wages, salaries, bonuses, and commissions, prior to all payroll deductions, during the year. You may use the definition of gross pay that is used for income tax purposes on the Withholding Tax Form. Report also the total number of man-hours for which these employees received this pay. -----

Production and related workers	
Man-hours	Expenditures
	\$

B. PAID LEAVE:

Report payments made directly to the employee by the company, for the following leave items and the man-hours equivalent to those payments. If an employee received both pay in lieu of vacation or holiday leave and pay for work, report here only the payments in lieu of time off and the man-hours of leave paid for. (If an employee did not receive full pay for an excused absence, report only the man-hours equivalent to the pay received. To determine man-hours equivalent, divide the employee's total pay for the excused absence by his straight-time hourly pay.)

1. Paid vacations -----
2. Paid sick leave -----
3. Paid holidays -----
4. Paid military, jury, witness, voting, and personal leave (specify type of personal leave) \_\_\_\_\_

C. PREMIUMS ABOVE REGULAR PAY:

1. Premium pay for daily overtime, weekly overtime, and weekend and holiday work.

Report expenditures for pay above the regular straight-time rates. (Thus, if overtime is paid at time and one-half, report only the half time here. For the work on a paid holiday, exclude the regular straight-time pay for the work performed and the holiday pay the employee would have received if he had not worked.) -----

2. Differential for shift work.

Report expenditures for premium pay above the regular rates for day shift. -----

D. CHRISTMAS, YEAREND, AND OTHER IRREGULAR BONUSES -----

7. EXPENDITURES IN ADDITION TO PAYROLL:

A. LEGALLY REQUIRED INSURANCE:

1. Social Security (Old-Age, Survivors, and Disability Insurance) -----
2. Unemployment Compensation---
  - a. Payments to State government -----
  - b. Payments to Federal Government -----
3. Workmen's Compensation -----
4. Other, including State Temporary Disability Insurance (specify) \_\_\_\_\_

B. PRIVATE WELFARE PLANS:

Exclude worker contributions and payments already reported under Item 6-B—Paid leave, and Item 7-A—Legally required insurance. Include payments to funds, insurance carriers, or directly to the employee.

1. Life insurance, accidental death and dismemberment insurance, and death benefits -----
2. Hospitalization, sickness and accident insurance, and medical plans -----
3. Pension and retirement plans (including pay-as-you-go plans) -----
4. Vacations and holiday funds (union-management and other) -----
5. Severance or dismissal pay -----
6. Supplemental unemployment benefits -----
7. Savings and thrift plans -----
8. Other (specify) \_\_\_\_\_

PROFIT SHARING: Profit sharing as such should not be reported. Include in Item 6-D, Bonuses, immediate cash disbursements. Other utilization of profit-sharing proceeds should be reported in the appropriate subdivision of Item 7-B. (For example, payments deferred until retirement should be included in Item 7-B-3.)

8. ESTABLISHMENT PRACTICES AND POLICIES FOR PRODUCTION AND RELATED WORKERS:

The following information is needed for the interpretation of the data you have reported. NO COMPUTATIONS ARE NECESSARY, with the exception of the question on vacations.

A. PAID VACATIONS:

	Number of weeks paid for (or equivalent)	Report number of workers
Report the <u>number</u> of production and related workers who were on the payroll at any time during 1962 receiving vacation pay directly from the company. If vacation benefits were determined as a percentage of the worker's annual earnings: 2% or slightly more is to be considered equivalent to 1 week's vacation; 4% or slightly more to 2 weeks' vacation; etc.	None -----	_____
	Under 1 week -----	_____
	1 and under 2 weeks -----	_____
	2 and under 3 weeks -----	_____
	3 and under 4 weeks -----	_____
	4 weeks and over -----	_____

B. PAID HOLIDAYS OBSERVED DURING 1962:

Report number of paid holidays.

1. Full-day holidays -----

2. Half-day holidays -----

C. SICK LEAVE PAID BY THE ESTABLISHMENT DIRECTLY TO THE WORKER (NONINSURED):

Did the establishment have a definite and formal paid sick leave plan? ----- YES \_\_\_ NO \_\_\_

D. HEALTH, ACCIDENT, AND LIFE INSURANCE (OTHER THAN LEGALLY REQUIRED PLANS):

1. Did the company finance any part of private—

a. Life insurance, accidental death and dismemberment insurance, or death benefits? ----- YES \_\_\_ NO \_\_\_

b. Hospitalization, medical or surgical insurance, or medical plans? ----- YES \_\_\_ NO \_\_\_

c. Sickness and accident insurance? ----- YES \_\_\_ NO \_\_\_

d. Other (specify) ----- YES \_\_\_ NO \_\_\_

2. If "YES," did the workers contribute to the payments for the cost of any of the above benefits? ----- YES \_\_\_ NO \_\_\_

E. PENSION OR RETIREMENT PLANS (OTHER THAN LEGALLY REQUIRED PLANS):

1. Did the company finance any part of a private pension or retirement plan? ----- YES \_\_\_ NO \_\_\_

2. If "YES," did the workers contribute to the payments for the cost of this plan? ----- YES \_\_\_ NO \_\_\_

F. VACATION AND HOLIDAY FUNDS:

Did the company contribute to a union or other fund which provided—

1. Vacation benefits? ----- YES \_\_\_ NO \_\_\_

2. Holiday benefits? ----- YES \_\_\_ NO \_\_\_

G. COLLECTIVE BARGAINING AGREEMENTS:

Did collective bargaining agreements cover the majority of the production and related workers in the establishment? ----- YES \_\_\_ NO \_\_\_

H. SHIFT DIFFERENTIALS:

Report the premium, above the regular hourly rate for the day shift, paid for work on the 2d, 3d, and other shifts. (Use the definition of shift differential given in the explanations for Item 6-C-2. Thus, if late-shift workers receive 8 hours' pay for 7 1/2 hours' work, compared to 8 hours' work for the day shift, report the 1/2 hours' pay as the differential rate.)

Shift	Number of production and related workers normally working on shift	Rate of shift differential
Evening (2d shift) -----	_____	_____
Night (3d shift) -----	_____	_____
Other (e.g., 4th, relief, etc., specify) -----	_____	_____

I. STANDARD WORKWEEK:

How many hours were there in the standard regularly scheduled workweek (not the hours actually worked) for the majority in each of the following categories? What was the average number of persons employed in each category in 1962?

	Number of hours per week	Average number of employees
1. Nonsupervisory workers:		
a. Production and related workers -----	_____	_____
b. Clerical and other nonsupervisory workers -----	_____	_____
2. Executive, professional, and supervisory employees -----	_____	_____



**Remarks**

If any part of this report includes data for more than one establishment, indicate the location, major product, and total employment, as of March 15, 1962, for each of these establishments and the items in which combined data were entered.

<u>Establishment location</u>	<u>Major product</u>	<u>Total number of employees as of March 15, 1962</u>	<u>Items</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

If any line in Item 6 through 8 contains data for other than production and related workers, indicate which other employee groups are included, the number of such employees, and the items in which combined data were entered.

<u>Other employee groups included</u>	<u>Number</u>	<u>Items</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**IF ANY ESTIMATED DATA ARE INCLUDED IN ANY OF THE ITEMS, IDENTIFY THE ITEM AND INDICATE THE METHOD OF ESTIMATION .**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
 Name of authorizing official (Please print or type) Title Date

Do you want a copy of the Bureau's report for this survey? ----- Yes  No

EXPLANATION SHEET  
 BLS 2669  
 (Rev. '63)

EXPENDITURES FOR SELECTED COMPENSATION PRACTICES  
 IN MANUFACTURING INDUSTRIES, 1962

3. Major Product

If the establishment covered by this report is a central office or other unit in which there are no manufacturing operations, list the principal product manufactured in the establishments of the company which are serviced by this unit.

4. Employment

All employees. In addition to production and related workers defined below, include the employees engaged in the following activities: Factory supervision (above the working foremen level), executive, purchasing, finance, accounting, legal, personnel, cafeterias, medical, professional, technical, sales, sales delivery (e.g., routemen), advertising, credit, collection, and installation and servicing of own products, routine office functions, and force-account construction employees on your payroll engaged in construction of major additions or alterations to the plant who are utilized as a separate work force.

Production and related workers. Include working foremen and all nonsupervisory workers, both full-time and part-time, engaged in fabricating, processing, assembling, inspecting, receiving, storing, handling, packing, warehousing, shipping, trucking, hauling, maintenance, repair, janitorial, watchman services, product development, auxiliary production for plant's own use (e.g., power-plant), recordkeeping and other services closely associated with the above production operations.

5. Gross Payroll for All Employees

Report the total amount paid to all employees during 1962. Include pay for overtime, standby time, holidays, vacations, and sick leave, paid by the establishment directly to the worker. Also include commissions, bonuses not paid regularly each pay period (e.g., Christmas bonuses) and pay not earned during the year (e.g., retroactive pay, dismissal pay). All payments should be shown prior to such deductions as employees' Social Security contributions, withholding taxes, group insurance, union dues, and savings bonds. Exclude value of free rent, fuel, or other payment in kind, made for the convenience of the employer. You may follow the definition of gross pay that is used for income tax purposes on the Withholding Tax Form.

6-A. Gross Payroll and Total Man-Hours for Production and Related Workers

Report, for production and related workers, the gross payroll as defined in Item 5. Also report the total number of man-hours for which pay was given to these workers during the year. (Total man-hours are the man-hours that are related to the gross pay.) This should include "plant" man-hours (i.e., man-hours spent at the establishment during regular workdays as well as during holiday and vacation periods that were not taken), man-hours paid for standby or reporting time, and the man-hours equivalent to pay for time spent away from the "plant" during paid holidays, paid vacations, etc.

To determine the man-hours equivalent to the pay received divide the payment for the item by the employee's average hourly pay. For example, if an employee who is regularly paid \$2 an hour was given \$5 for a day's absence for jury duty, the man-hours equivalent to the pay received would be  $2\frac{1}{2}$  hours (i.e.,  $\$5 \div \$2$ ). Similarly, if an employee received a day's sick leave at half his regular rate of pay, the man-hours equivalent would be 4, even though the employee was absent for 8 hours.

Do not convert overtime or other premium paid hours to straight-time equivalent hours.

#### 6-B. Paid Leave

This section is intended to measure the extent to which production and related workers were granted paid leave during the year. For each type of excused absence listed, report total payments made directly to the employee by the company and the man-hours equivalent to the payments made. If an employee did not receive full pay for an excused absence, report only the man-hours equivalent (as defined above) to the pay received.

1. Paid vacations. Report total vacation payments made by the company directly to the employee during 1962 and the total man-hours equivalent to those payments, whether vacations were taken or not. If an employee worked during his vacation period, and was given both pay for work and pay in lieu of vacation, report here only the payments in lieu of vacation and the man-hours equivalent to them.

If employees who left the company were paid for unused vacation, report the payments made and the man-hours equivalent to the payment.

Exclude contributions to union or other vacation funds. These are to be reported in Item 7-B-4, Vacation and Holiday Funds.

2. Paid sick leave. Report total sick leave payments made by the company directly to the workers during the year and the man-hours equivalent to these sick leave payments. Payments made directly to the worker under self-insurance provisions of State Temporary Disability Insurance laws should be reported in Item 7-A-4, Other Legally Required Insurance. Expenditures for insurance premiums should be reported in Item 7-B-2, Hospitalization, Sickness and Accident Insurance, and Medical Plans.
3. Paid holidays. Report total holiday payments made by the company directly to the workers during the year, and the total man-hours equivalent to these payments, whether the holidays were taken or not. For workers who worked on a paid holiday, and received both pay for work and pay in lieu of time off, report only the holiday pay the worker would have received if he had not worked and the man-hours equivalent of this holiday pay. Exclude the regular straight-time pay for work actually performed and premium pay for work on a holiday. (Premium pay is described in Item 6-C-1.)
4. Paid military, jury, witness, voting, and personal leave. Report total payments made by the company, directly to the workers during the year and the man-hours equivalent to these payments for military, jury, witness, or voting leave, or leave granted for personal reasons such as death in the family, time off for perfect attendance, etc.

#### 6-C. Premiums Above Regular Pay

In this section it is necessary to distinguish between the regular hourly rate for work during the normal day hours and the extra amounts paid for work after the regular day hours, on holidays, etc. Only expenditures for the extra pay are to be reported here; exclude the portion that represents the regular rate. Report total expenditures during 1962 for the premiums for each type of work listed; do not report the rate of pay.

1. Premium pay for daily overtime, weekly overtime, and weekend and holiday work. Include only pay above the regular hourly rates.

Thus, if an employee who received \$1.50 an hour for straight-time was paid an additional \$0.75 an hour as premium for overtime, the overtime expenditures reported here should include only the \$0.75 overtime premium. Include premium pay for Saturday and Sunday or for 6th and 7th days as such.

For premium pay for holiday work, it is necessary to distinguish between the extra pay for work on a holiday, the payment at the regular rate for work performed, and the holiday pay the worker would have received if he had not worked. Total expenditures for holidays which were worked should be defined as follows to obtain expenditures for premium pay:

Exclude regular straight-time pay for work actually performed. Exclude the holiday pay the employee would have received if he had not worked. The balance is the premium for work on holidays, which should be reported here.

**EXAMPLE:** Employee was paid double-time for work on a paid holiday. That is, he was paid his regular straight-time pay for work performed and the holiday pay he would have received if he had not worked. In this case, no expenditure for premium pay would be reported here.

**EXAMPLE:** Employee was paid double-time and one-half for work on a paid holiday. That is, he was paid his regular straight-time pay for work performed, the holiday pay he would have received if he had not worked, and an extra half-time as a holiday premium. In this case, only the expenditures for the one-half time should be reported here.

**EXAMPLE:** Employee was paid triple-time for work on what would have been a paid holiday. One-third of this pay should be reported as expenditures for premium pay.

**EXAMPLE:** Employee was paid time-and-one-half for work on an unpaid holiday. That is, he would have received no pay if he had not worked. In this case, the expenditures on the one-half time should be reported as premium pay for work on a holiday.

2. Differential for shift work. Include only shift premium pay above the regular hourly rates for the day shift. This covers not only differential paid in the form of a higher hourly rate, but also special payments to late-shift workers for meal periods and for any other hours not worked by them but paid for (e. g., if late-shift workers receive 8 hours' pay for 7½ hours' work, compared with 8 hours' work for the day shift, total expenditures for the ½ hour's pay should be reported as shift differential).

#### 6-D. Christmas, Yearend, and Other Irregular Bonuses

Report special bonus payments made at the end of the calendar or fiscal year or during the Christmas season. Include only cash payments. Exclude regularly paid bonuses (such as weekly and monthly production bonuses) and bonuses in the form of merchandise.

#### 7-A. Legally Required Insurance

Report the net liability incurred by the company for the year 1962 for employee benefit programs that are required by law. Exclude employee contributions to the payments. Report the net liability incurred for 1962 rather than the amount paid during 1962. For example, report Social Security tax payments for the fourth quarter of 1962, even though they were paid in the first quarter of 1963. Exclude payments for the fourth quarter of 1961, even though they were paid in the first quarter of 1962.

1. Social Security Taxes (FICA) for Old-Age, Survivors, and Disability Insurance. Report the liability incurred for 1962 rather than the amount paid during 1962. NOTE: If you obtain your figures from your "Quarterly Report of Wages Taxable Under the Federal Insurance Contributions Act (for Social Security)," (Form 941), please exclude amounts deducted from employees' pay.
2. Unemployment Compensation. Report separately payments to State governments and to the Federal Government.
3. Workmen's Compensation. Report net expenditures during the year for insurance premiums (i. e., premiums less refunds) and payments to State funds.

If under State laws your company qualifies as a self-insurer, report the total net expenditures made during the year for Workmen's Compensation benefits that are required by law. Do not include costs of medical and first-aid services normally supplied by the company.

4. Other, including State Temporary Disability Insurance. Specify each other legally required program for which expenditures were made. Include total payments made to insurance carriers, to State or other funds, or directly to the employee for those benefits required by law which have not been accounted for elsewhere in this section. Examples of items to be included here are: Railroad retirement benefits, railroad unemployment insurance, and State Temporary Disability Insurance. (Temporary Disability Insurance laws cover workers in the States of California, New Jersey, New York, and Rhode Island, and in the railroad industry throughout the country. Include payments made by the establishment directly to employees under self-insurance provisions of the law. Where legally required employer expenditures for Temporary Disability Insurance cannot be isolated from employer payments for other benefits reported on the questionnaire, please indicate this fact in the "Remarks" section and also the item which includes the payments for Temporary Disability Insurance.)

7-B. Private Welfare Plans

Exclude insurance already reported under Item 6-B, Paid Leave, and Item 7-A, Legally Required Insurance. Exclude worker contributions to the payments. Include company payments to funds and to plans financed through profit sharing. For payments to insurance carriers report only net expenditures (i. e., premiums less rebates, refunds, and dividends received during the year, unless they go to purchase additional insurance). Include premiums for dependents or retired employees.

1. Life insurance, accidental death and dismemberment insurance, and death benefits, and
2. Hospitalization, sickness and accident insurance, and medical plans. Report net expenditures for insurance premiums and payments to welfare funds. Exclude administrative expenses incurred by the company and employee contributions to the payments for the plan. Include payments for travel accident insurance in Item 7-B-1.
3. Pension and retirement plans. Report premiums paid by the company to an insurance carrier, less dividends or other credits; company payments into an irrevocable trust fund; and company payments to pensioners under pay-as-you-go plans (i. e., unfunded plans). Payments for past service liability as well as current service credits should be reported. Exclude administrative costs incurred by the company and employee contributions to the payments for the plans.
4. Vacation and holiday funds. Report total payments during the year to separate funds (such as union-management funds) which are given the responsibility for disbursing vacation and holiday benefits to workers. Exclude worker payments into such funds. Company payments directly to the worker should be reported under Paid Leave (Items 6-B-1 and 6-B-3).
5. Severance or dismissal pay. This item covers plans which are designed to provide payments in case of loss of employment. Normally, they provide lump-sum payments. These plans are also referred to as termination or layoff pay plans. Report payments made by the company during the year, directly to separated workers or to funds which are responsible for making such payments to separated workers. Payments to plans which are primarily supplemental unemployment benefit plans should be reported in Item 7-B-6.
6. Supplemental unemployment benefits. This item covers plans which are designed primarily to provide benefits which supplement legally required unemployment compensation benefits. Report payments during 1962 to separate funds and net expenditures for insurance premiums (i. e., total premiums less dividends and other refunds received in 1962). Expenditures for severance pay should be reported in Item 7-B-5.
7. Savings and thrift plans. Under these plans, worker savings are supplemented by company contributions. Report cash payments, made by the company during the year, to a separate fund or to worker accounts. Exclude interest credited to the worker's account. Also exclude payments made in the form of stock and payments made under arrangements which are primarily pension plans. Payments to funds which are primarily designed to provide pension or retirement benefits are to be reported in Item 7-B-3.
8. Other. Report total payments made to insurance carriers, to union or other funds, or directly to the worker for those plans which have not been covered elsewhere in this section. Do not include the cost of providing such employee services as parking facilities, in-plant medical care, and cafeterias. (However, direct payments to employees for meals should be reported here, unless they constitute simply a premium for late-shift work, in which case they should be reported in Item 6-C-2.)



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