Compensation Expenditures and Payroll Hours

AIR TRANSPORTATION, 1964

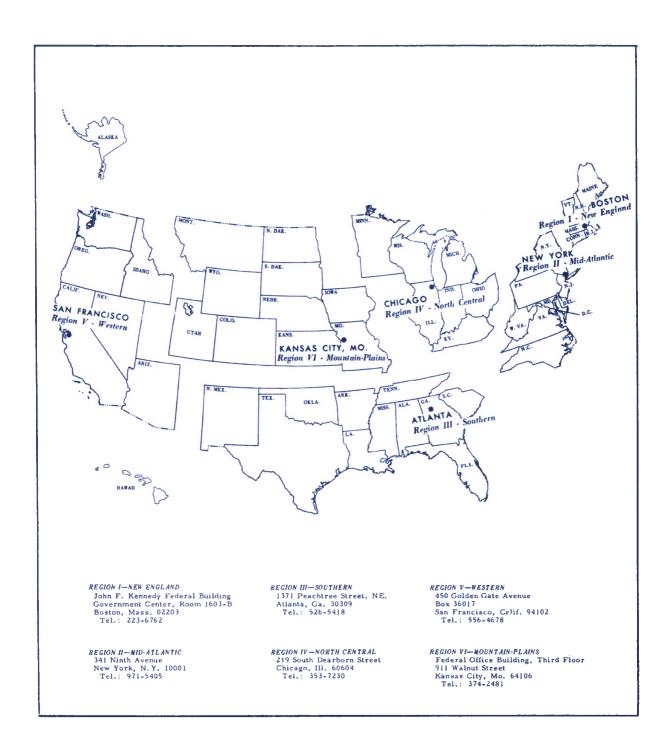


Bulletin No. 1571

UNITED STATES DEPARTMENT OF LABOR

BUREAU OF LABOR STATISTICS

BUREAU OF LABOR STATISTICS REGIONAL OFFICES



Compensation Expenditures and Payroll Hours

AIR TRANSPORTATION, 1964

Bulletin No. 1571

October 1967

UNITED STATES DEPARTMENT OF LABOR Willard Wirtz, Secretary

BUREAU OF LABOR STATISTICS
Arthur M. Ross, Commissioner



Preface

The concept of employee compensation has been broadened considerably in the past several decades by the adoption or liberalization of supplementary pay practices. Statistics on straight-time wages for time worked no longer sufficiently approximate the level of employer payments for hired labor. Therefore, it is important to account for such outlays as vacation and holiday pay, daily or weekly overtime and shift differentials, terminal (severance) pay, contributions to private pension and health and welfare funds, and payments under legally required insurance programs.

This bulletin analyzes the level and structure of employer outlays for the compensation of employees, considering the expenditures for each component as a percent of total compensation outlays and in cents-per-hour. Furthermore, the relative importance of working and leave hours as percents of total hours paid for is discussed.

This study of the air transportation industry is part of the Bureau of Labor Statistics program of studies of employer expenditures for supplementary compensation practices. A list of previously issued reports is found at the end of this bulletin.

The study was conducted in the Bureau's Office of Wages and Industrial Relations by the Division of National Wage and Salary Income, Norman J. Samuels, Chief. The analysis was prepared by Abraham Zucker, under the supervision of Arnold Strasser.

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Summary

In 1964, expenditures for employee compensation 1 in the air transportation industry 2 amounted to \$4.78 for each hour of working time 3 —one of the highest levels of industry outlays in the Nation. Gross payments to workers accounted for 92 percent (\$4.39) and straight-time pay for working time comprised 81 percent (\$3.87) of employer disbursements. Expenditures for supplements in addition to straight-time pay for working time, consisting of direct payments to workers (such as paid leave, premium pay, bonuses, and terminal pay), and expenditures in addition to payroll (legally required insurance programs and private welfare plans), accounted for the remaining 19 percent (91 cents) of compensation. 5

The level and structure of compensation expenditures in the air transportation industry results from disparate outlays—separated by a gap amounting to almost \$18 an hour of working time—for the compensation of operating and nonoperating employees. These differences reflect the special conditions, pay practices, and unique characteristics of the air transportation industry.

Compensation for operating employees amounted to \$21.70 for each hour of working time. Eighty-nine percent (\$19.20) of these expenditures were paid directly to workers—seven-eighths (\$17.01) of which was straight-time pay for working time—and 11 percent (\$2.50) was for legally required insurance programs and private welfare plans.

Compensation, for the purposes of this study, is defined as the sum of the payments, subject to Federal withholding taxes, that were made by employers directly to their employees before deductions of any type; and the expenditures made by employers for legally required insurance programs and private welfare plans to provide the worker with full- or partial-economic security against a future contingency (e.g., unemployment, medical expenses, etc.).

expenses, etc.).

The air transportation industry includes companies classified in accordance with the 1957 edition of the Standard Industrial Classification Manual and 1963 Supplement; in SIC 451-air transportation, certificated carriers—SIC 452-air transportation, non-certificated carriers—and SIC 458-fixed facilities and services related to air transportation.

Working time includes all paid hours, excluding paid leave hours. Paid hours consist of aggregate hours worked, paid leave hours, rest periods, coffee breaks, and other nonleave hours (such as those on duty but during which no work was performed) paid for but not worked for which employers made direct payments to workers during the year. As leave hours increase proportionately to total hours, expenditures per hour of working time differ increasingly from expenditures per paid hour.

The combined expenditures for supplements to straight-time pay for operating employees amounted to \$4.69 for each hour of working time, exceeding total compensation outlays for nonoperating employees by 77 cents. Expressed differently, pay supplements for flight deck personnel were equal to 11/5 of the total hourly disbursement for the compensation of nonoperating employees.

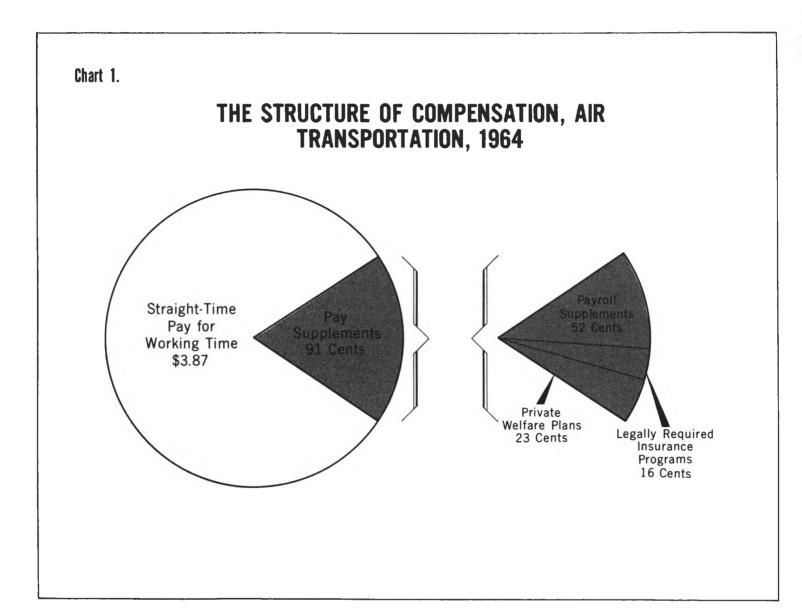
Company disbursements for the compensation of nonoperating employees amounted to \$3.92 per hour of working time. In 1964, 93 percent (\$3.64) of these outlays were paid directly to workers—seven-eighths of which (\$3.19) was straight-time pay for working time—and 7 percent (28 cents) was for legally required insurance programs and private welfare plans. 6

Another way of looking at the total compensation picture in the air transportation industry is in terms of individual company cents-per-hour expenditures. In the total industry, companies employing one-half of the workers spent \$4.63 or more per paid hour; whereas, compensation outlays for half of the operating employees were \$21.94 per

All companies included in the survey sample were asked to provide separate data on expenditures for overtime, weekend, holiday, and shift premiums. However, most did not report such outlays separately for operating personnel. To the extent that premium pay for operating employees (and consequently—all employees) is understated; straight-time pay for working time is overstated.

In comparison, the gross average hourly earnings (including premiums but excluding terminal payments, nonproduction bonuses, and expenditures in addition to payroll) of nonsupervisory employees or production workers in industries for which such data are available, ranged from \$1.96 an hour in the trade industries to \$3.55 in the construction industries. Employment and Earnings Statistics for the United States, 1909-66 (BIS Bulletin 1312-4, 1966).

⁴ The terms workers and employees are used synonymously in this report and, unless otherwise noted, are defined to include all employees in the air transportation industry. The terms operating employees, flight crew employees, and flight deck employees—which are used synonymously in this report are defined to include pilots, co-pilots, flight engineers, navigators, and trainees and instructors of employees directly involved in the in-flight operation of an aircraft. Cabin attendants (consisting mainly of stewards and stewardesses) were classified with all other employees whose work was performed outside of the cockpit of an in-flight airplane, as nonoperating employees.



paid hour or more, and those for nonoperating employees employed by firms in the upper half of the distribution were \$3.66 per paid hour or more.

Compensation in certificated air carriers was greater than those of the other companies in the air transportation industry. However, employment of the certificated carriers constituted over 80 percent of all employment in the industry. As a result, the

outlays of certificated carriers in the center (median) of the expenditure curve were very similar to those of the entire industry, but the level of expenditures of certificated carriers in the middle (50 percent) range was higher than for the industry as a whole.

The tabulation below shows the middle 50 percent range and median expenditures in cents per paid hour in the air transportation industry during 1964.

		Company expendit	ures per paid hour	for the compensa	tion of employees	in—
	A	ir transportation is	ndustry	,	Certificated carri	ers
	All employees	Operating employees	Nonoperating employees	All employees	Operating employees	Nonoperating employees
Middle 50 percent 1	\$4.16-\$4.95	\$15.08-\$22.29	\$3.46-\$3.98	\$4.48-\$4.95	\$21.94-\$22.29	\$3.59-\$3.98
Median ²	\$4.63	\$21.94	\$3.66	\$4.63	\$22.00	\$3.66

The middle range was determined by expenditures in the companies that cumulatively employed workers at the 25th and 75th percentiles. These two points were selected from an ascending magnitude array of company employment ranked by compensation outlays.

Industry Characteristics

In 1964, more than four-fifths of the employees in the Nation's air transportation industry worked for domestic certificated airlines. The other one-fifth of the industry's labor force worked for companies that provided helicopter transportation (certificated and noncertificated), noncertificated air carriers, foreign flag air carriers, establishments operating airports and flying fields, and establishments furnishing terminal services.

Employment in air transportation companies ranged from less than 10 to over 30,000. The smallest certificated carrier, however, employed more than 1,200 workers; only a few of the other companies employed over 500 workers; and none had more than 1,300 employees.

The occupational composition of the industry, as a whole, is quite similar to that of certificated airlines. This similarity is

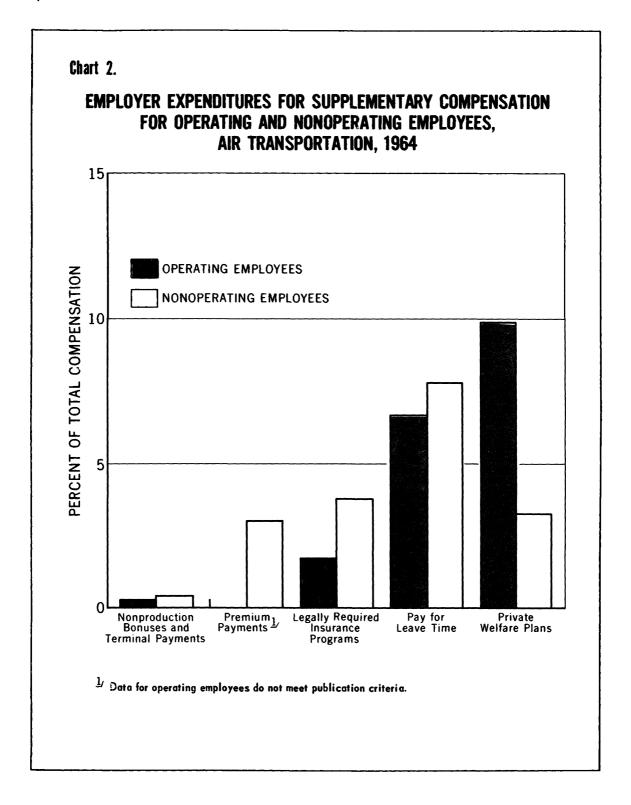
largely the result of the dominance of domestic certificated airlines in the industry. However, when certificated carriers are compared to the other companies in the industry, different employment patterns become apparent. Certificated carriers employ United States based workers engaged in flying operations, maintenance, passenger services, aircraft and traffic services, promotion and sales, finance, legal, and other broad occupational groupings. Most employees of foreign flag airlines performing similar functions are based outside of the United States; noncertificated carriers generally employ a relatively greater proportion (though numerically few) of flight deck employees than do certificated carriers; and airports, flying fields, and terminal service companies primarily employ maintenance, passenger service and cargo handling personnel.

Employment of the domestic certificated airlines consists predominantly of maintenance and other nonoffice nonflying employees. Only 1 out of 8 workers was employed on the flight decks of airplanes; 1 out of 8 was employed in an executive, professional, or supervisory capacity; and about 1 out of 4 was employed in an office clerical position.

outlays.

One-half of the workers were employed by companies whose expenditures were below this value, and one-half were employed by companies with expenditures above this value. In some cases, however, there may be a clustering of observations at the median value.

⁷ Certificated air carriers, for the purpose of this study, are defined to include all domestic airlines, excluding helicopters, holding certificates of public convenience and necessity issued by the Civil Aeronautics Board. These companies may be primarily engaged in the transportation of revenue passengers or in the transportation of cargo or freight.



Employee group	Percent of gross payments of certificated carriers to employees	Percent of total certificated carrier employment
All employees	100	100
Operating employees	24	12
Pilots and co-pilots	. 19	9
Other flight deck employees	· 5	3
Nonoperating employees	. 76	88
Stewardesses and other cabin employees	. 5	8
Ground control personnel	. 3	2
General aircraft and traffic handling personnel	. 12	12
Maintenance employees	. 16	22
Ticket sales and other passenger handling personnel	. 12	16
Cargo handling personnel	. 6	7
Communications personnel	· 1	1
Other nonoperating employees 1	20	19

Includes general management, recordkeeping, statistical and purchasing personnel, lawyers, law clerks, traffic solicitors, and other personnel. Excludes office clerical and other nonoperating employees whose work activity was directly associated with the other nonoperating functional work areas listed separately. Data for these employees were included with those for the functional group.

SOURCE: These data were derived by the Bureau of Labor Statistics from individual reports of certificated air carriers to the Civil Aeronautics Board.

Even though flight deck employees constituted only 12 percent of total certificated carrier employment, they received about one-fourth of all payments made by carriers directly to their employees. These payments accounted for 92 percent of all compensation outlays of domestic certificated airlines. Like payments made by the other companies in the air transportation industry accounted for 93 percent of total expenditures for the compensation of their hired labor.

Different policies and practices underlie the compensation outlays for the industry's operating and nonoperating employees. These practices, which have evolved over time, vary somewhat among the different segments of Nevertheless, those of the the industry. domestic certificated airlines, because of their dominant position in the industry, tend to establish the basic patterns. Certificated carriers' flight deck employees are paid in accordance with a basic wage formula 8 which takes into consideration the number of flight hours, miles flown, gross weight and speed of the plane, and longevity pay. In addition, collectively bargained agreements covering flight deck employees provide for minimum monthly guarantees; pay for preflight and post flight work; pay for training on new equipment; and deadheading pay (when traveling as a passenger to another airport) among other

guaranteed and supplemental wage payments. Pay for nonoperating employees, in contrast to that for flight deck personnel, is based on an hourly, weekly, or monthly basis.

Hours worked by operating and nonoperating employees are also significantly different. Flight deck employees are limited to 85 flight hours per month. This limitation which was originally promulgated by the National Labor Board in Decision No. 83, at the same time that it established the basic wage formula, has been modified by contractual agreements between the airlines and their employees. These modifications further limit total hours of working time by establishing an equivalency principle. Under this principle, hours worked on the ground are counted on a fractional basis toward flight hours 10 while generally maintaining the absolute limit of 85 flight hours per month. Nonoperating employees, however, have no limitation on the number of hours that they may work in any month.

About 92 percent of the industry's operating and 79 percent of its nonoperating employees worked for firms in which a majority of the nonsupervisory employees were covered by collectively bargained agreements

⁸ This formula was established in 1934 by the National Labor Board (NLB) in its decision No. 83-the provisions of which were incorporated into the Air Mail Act of 1934, the Civil Aeronautics Act of 1938, and the Federal Aviation Act of 1958.

⁹ Ibid. 10 For detailed discussion of this and other guarantees and Refreall. Iohn M., supplemental forms of wage payments, see Baitsell, John M., Airline Industrial Relations: Pilots and Flight Engineers, Graduate School of Business Administration, Harvard University, Boston, 1966, pp. 57-73.

during 1964. All of the operating and 93 percent of the nonoperating employees of certificated carriers were employed by companies that had collectively bargained agreements covering a majority of their nonsupervisory employees.

Prevalence of Supplements

All of the employees in the air transportation industry were covered by social security; and virtually all were covered by unemployment insurance, workmen's compensation, 11 and one or more private welfare plans-principally, life, accident, and health insurance and private pension plans. In addition, all companies had premium pay expenditures for their nonoperating employees, 12 and virtually all provided some type of paid leave for both operating and nonoperating employees. While virtually all nonoperating employees worked for companies that had expenditures for holidays, only 6 percent of the operating employees in the total industry-none of them employed by certificated carriersworked for firms that paid for holidays not worked.

Slightly more than three-fifths of all nonoperating employees in the industry were employed by firms that had expenditures during 1964 for nonproduction bonuses and terminal payments. In contrast, only two-fifths of the operating employees in the industry were employed by companies that had outlays for these supplements. ¹³

Paid Leave

Leave expenditures of 33 cents a paid hour (36 cents an hour of working time) comprised 7.5 percent of the industry's 1964 compensation outlays and accounted for about two-fifths of all pay supplements. More than half of these leave payments were for vacations; about one-quarter were for holidays not worked; and over one-fifth were for sick leave. Civic and personal leave accounted for the balance of the leave payments.

Among the various supplements to straight-time payments for working time, paid leave for operating employees was second in importance only to expenditures for private welfare plans. These leave expenditures for operating employees ranged from less than 1 cent to \$2.27 a paid hour and averaged \$1.35 a paid hour. However, more than three-fourths of all flight deck personnel were employed by firms whose leave expenditures exceeded \$1 a paid hour, and about two-thirds of them worked for companies with expenditures of \$1.50 a paid hour or more. Leave payments for flight deck employees of certificated carriers were also second in importance to expenditures for private welfare plans but were 11 cents a paid hour higher than the average for the entire industry.

Paid leave for nonoperating employees was the most important supplement to their straight-time pay. Company outlays of 28 cents a paid hour for this group of supplements accounted for 7.8 percent of compensation and was twice as large as the expenditures for the next highest group of supplementary practices—legally required in surance programs. Disbursements by certificated carriers for nonoperating employees' leave, amounting to 8 percent of compensation and 30 cents a paid hour, were only slightly higher than the industrywide average.

Paid Vacations and Holidays. Almost all employees in the air transportation industry worked for firms that paid for vacations, and almost all nonoperating employees worked for firms that paid them for holidays not worked. Although nearly all of the flight deck employees worked for companies that paid for vacations, only 6 percent worked for companies—none of which were domestic certificated airlines—that paid for holidays not worked.

Vacation expenditures, accounting for about 4.1 percent of compensation and 20 cents an hour of working time, were virtually the same in the industry as a whole and its major component—domestic certificated airlines. Nevertheless, such payments to operating employees were seven times greater per working hour than the 16 cents expended for nonoperating employees' vacations.

Holiday expenditures, unlike those for vacations, were higher per hour for the non-operating employees than for flight deck personnel. This difference, however, results entirely from the low incidence of such payments to operating employees. In the industry as a whole, holiday payments accounted

¹¹ Companies can self-insure under the Workmen's Compensation laws in several States and in a given year may have no expenditures occasioned by occupational illness or injury. An estimated 1 percent of the workers in the airline industry were employed by firms that did not have any expenditures for Workmen's Compensation programs during 1964.

¹² Premium payments at the all employee level and for operating employees did not meet publication criteria. For detail see footnote 5.

¹³ None of the companies in the sample reported expenditures for vacation and holiday funds or for severance and/or SUB funds. Although a few firms did report expenditures for savings and thrift plans, these data did not meet criteria for separate publication—they are, however, included as part of all expenditures for private welfare plans.

for 1.8 percent of all compensation outlays and 8 cents a working hour. Outlays for nonoperating employees, however, accounted for 2.3 percent of their compensation and 9 cents an hour of working time. Holiday payments to flight deck employees amounted to less than 1 cent a working hour—less than one-tenth of 1 percent of their total remuneration.

Sick Leave and Other Paid Leave. Payments to workers for sick, military, jury, witness, voting and personal leave were made by companies employing 92 percent of the industry's work force and by all certificated carriers. Sick leave expenditures, comprising over one-fifth of all leave payments, accounted for 1.6 percent of total compensation or 7 cents an hour paid during 1964. Other leave expenditures, 4 however, constituted only one-tenth of 1 percent of all compensation and amounted to less than 1 cent a paid hour.

Sick leave and other leave expenditures as a percent of total compensation were very similar for both operating and nonoperating employees. In cents per hour, however, pay for operating employees' sick leave amounted to 35 cents a paid hour—seven times greater than that for nonoperating employees. Expenditures for civic and personal leave for operating employees amounted to 2 cents a paid hour and less than 1 cent a paid hour for nonoperating employees. Sick leave expenditures ranged from less than 1 percent of total compensation to less than 3 percent. All payments for civic and personal leave were less than 1 percent of total compensation.

Premium Payments

Premium payments in 1964 for nonoperating employees ¹⁵ in the air transportation industry constituted 3 percent of total compensation and amounted to 11 cents a paid hour. Overtime, weekend, and holiday premiums made up more than two-thirds of these payments, and shift differentials accounted for the remainder.

Although individual company disbursements ranged from as low as 1 cent a paid hour to as high as 20 cents a paid hour,

14 The terms other leave and civic and personal leave, which are used synonymously, are defined to include, military, jury, witness (excluding pay for serving as a witness for the employer), voting and personal leave.

15 Data for premium payments at the all employee level

15 Data for premium payments at the all employee level and for operating employees do not meet publication criteria. Op. cit. footnote 5. slightly more than half of the nonoperating employees worked for firms whose premium payments were greater than 11 cents but less than 14 cents a paid hour.

Overtime, weekend, and holiday premiums for nonoperating employees, although amounting to 2.1 percent of total compensation, accounted for less than 1 percent of compensation in some companies and more than 7 percent in others. However, more than nine-tenths of the nonoperating employees were employed by firms whose expenditures were less than 3 percent of all compensation.

Nonproduction Bonuses and Terminal Pay

There were no major differences at the all employee level between expenditures for bonuses and terminal payments. Each represented one-tenth of 1 percent of compensation and each amounted to 1 cent a paid hour. A similar relationship of expenditures for these supplements existed in certificated carriers where outlays for nonproduction bonuses comprised one-tenth of 1 percent of compensation, and terminal payments accounted for two-tenths of 1 percent of all compensation. However, expenditures of nonproduction bonuses for nonoperating employees were slightly higher than those for operating employees, while expenditures for terminal payments for nonoperating employees were slightly less than those for operating employees.

In spite of the fact that (among the supplements for which data were published) non-production bonuses and terminal payments were the least prevalent, more than three-fifths of the workers were employed by companies reporting expenditures for these supplements.

Legally Required Insurance Programs

About 3.3 percent of 1964 expenditures for employee compensation was for legally required insurance programs. Three-fifths of these expenditures were for social security (OASDI); slightly over one-fourth were for unemployment compensation; and about one-eighth were for workmen's compensation. ¹⁶ Similar levels of expenditures for these programs were found in the industry as a whole and in the domestic certificated airline segment.

¹⁶ In a few States, employers are required to contribute towards temporary disability insurance for their employees. These expenditures represent a minute portion of those for all legally required insurance programs and an even smaller fraction of total compensation. These outlays are not presented separately but are included in the total.

The legally required outlays for operating employees accounted for an even smaller proportion of the industry's outlays for their compensation (1.6 percent). These relationships result from the generally high level of gross money wages paid to operating and nonoperating employees in the air transportation industry and the funding provisions of the major social insurance programs. The major legally required programs, social security and unemployment compensation, are both funded on the basis of a rate applied against gross money wages paid each employee up to a specified maximum. 17 In general, the average air transportation employee earned considerably more than these maximums. Although the employer contribution per employee was at or close to the maximum required by law, these disbursements were equivalent only to a small part of total payments to employees (gross payroll) and comprised an even smaller part of total employer expenditures for their compensation. Nevertheless, since these employer payments generally were based on maximum earnings of employees against which contributions are levied, they amounted to 15 cents a paid hour at the all employee level, 32 cents a paid hour for flight deck personnel, and 14 cents a paid hour for nonoperating employees.

Social security expenditures, which were made by all establishments, amounted to 2 percent of compensation and varied from 1 to 2 percent of total compensation in most companies and 2 to 4 percent in the remaining companies. Disbursements for operating employees averaged 18 cents a paid hour and payments for nonoperating employees averaged 8 cents a paid hour.

Expenditures for unemployment compensation accounted for 0.9 percent of all company outlays and amounted to 4 cents a paid hour in 1964. Some firms employing a very small proportion (1 percent) of the workers had expenditures as high as 9 cents a paid hour; however, two-thirds of the employees worked for companies whose expenditures were less than 4 cents a paid hour in 1964.

Workmen's compensation expenditures accounted for only 0.4 percent of compensation and amounted to only 2 cents a paid

hour. Most of the workers (93 percent) were employed by firms in which these expenditures accounted for less than 1 percent of total compensation.

Private Welfare Plans

During 1964, expenditures for private welfare plans constituted almost 5 percent of all employer outlays for the compensation of employees in the air transportation industry. These expenditures, which amounted to 21 cents a paid hour—23 cents an hour of working time—were the second most important component of supplementary compensation (in terms of employer disbursements) in the industry.

Practically all of the private welfare outlays were for pension and retirement plans (81 percent) and life, accident, and health insurance (about 19 percent). In addition, a few firms had expenditures for savings and thrift plans—expenditures which represented only a minute proportion of total compensation outlays—even in those companies that had such expenditures. 18

Expenditures for private welfare plans covering operating and nonoperating employees were significantly different-in terms of cents per hour and as proportions of compensation. One-tenth (\$2.15 an hour of working time) of flight deck employee compensation consisted of expenditures for these private health, welfare, and pension plans. Similar payments to nonoperating employees, amounting to 13 cents an hour of working time, accounted for slightly over 3 percent of total employer outlays for their compensation. In addition, although private welfare expenditures at the all employee level were second in importance among the supplements, they were the most important form of supplementary remuneration for flight deck person-These expenditures for nonoperating employees, however, ranked third—behind expenditures for legally required insurance programs and leave time payments—in the hierarchy of supplemental compensation.

Life, Accident, and Health Insurance. In 1964, virtually all air transportation industry employees worked for firms that provided one or more forms of life, accident, and health insurance coverage for their workers. Some small firms (in all segments of the industry), however, did not have any expenditures for these practices. Nevertheless, during 1964,

¹⁷ In 1964, the employer's rate of contribution for social security was 3 5/8 percent of the first \$4,800 of each employee's annual earnings. In all but nine States, the employer's rate of contribution for Federal unemployment insurance was 0.4 percent of the first \$3,000 of an employee's earnings. A rate of 0.7 percent was in effect in California, Delaware, Indiana, Massachusetts, Michigan, Minnesota, New Jersey, and West Virginia. Alaska had a rate of 0.85 percent.

¹⁸ These data do not meet publication criteria and hence are not presented separately. They are, however, included in total outlays for private welfare plans.

firms employing about 95 percent of the industry's work force, and 98 percent of the workers employed by certificated airlines, had expenditures for these practices.

In the aggregate, employer outlays for these insurance programs amounted to 4 cents an hour and accounted for slightly less than 1 percent of all compensation disbursements. Expenditures for operating employees, accounting for only 0.6 percent of compensation, amounted to 13 cents a paid hour—more than three times higher than the outlays for non-operating personnel (4 cents) which constituted 1 percent of their remuneration.

Almost all workers in the industry contributed toward the cost of one or more of the insurance plans under which they were covered. Nevertheless, employer outlays for nonoperating employees were at the same level (4 cents an hour) in firms with contributory and in firms with noncontributory plans. However, expenditures patterns for flight deck personnel were sharply differentiated by industry segment. All certificated airlines with expenditures for flight deck personnel during 1964 had contributory plans—expenditures for which amounted to 14 cents a paid hour. These outlays were about 11/2 times greater than those (9 cents) of the other firms in the industry, all of whom had noncontributory plans.

Industrywide expenditures ranged from under 1 to 13 cents a paid hour and from less than 1 to 3 percent of compensation. They tended, however, to cluster between 3 and 8 cents a paid hour with most (69 percent) of the workers being employed by air transportation firms whose outlays ranged between 3 and 5 cents each paid hour. The distribution of expenditures of the certificated airlines, though more heavily concentrated, was quite similar to the industrywide pattern.

Pension and Retirement Plans. Pension and retirement expenditures during 1964 for operating employees in the air transportation industry amounted to \$2.01 an hour of working time or 9.3 percent of total expenditures for their compensation. Expenditures for nonoperating employees were only 9 cents an hour of working time or 2.3 percent of their compensation. Since operating employees accounted for less than one-eighth of the industry's employment, the effects of the large expenditures for their pension and retirement plans were overshadowed by those of the nonoperating employees, and expenditures at the all employee level amounted to only 19 cents an hour of working time (17 cents a paid hour) and 3.9 percent of total employer outlays for the compensation of employees.

Company outlays for pension and retirement plans varied widely. Although the overall industry expenditure, when measured in cents per paid hour, was 17 cents, some companies had expenditures of more than 25 cents; others had expenditures of less than 3 cents an hour. However, most workers were employed by firms with similar expenditures; one-third worked for firms with expenditures of 17 to 21 cents a paid hour; almost one-fourth for companies whose expenditures ranged from 12 to 13 cents; and about one-fifth for firms with expenditures of more than 25 cents a paid hour.

Approximately 87 percent of the operating and 84 percent of the nonoperating employees worked for air transportation firms whose pension and retirement plan required an employee contribution. Company outlays under noncontributory plans for operating employees, however, were about one-third higher than were expenditures of companies under whose plans operating employees did not make contributions.

Employer disbursements for nonoperating employees followed a different pattern. Firms with contributory plans had expenditures for them amounting to 10 cents a paid hour—2.7 percent of compensation. Companies with noncontributory plans had expenditures of 8 cents a paid hour—these outlays, however, comprised almost one-twelfth of their total expenditures for the compensation of nonoperating employees.

These differences in pension expenditures for operating and nonoperating employees and between those for contributory and noncontributory plans not only mirror the variations in expenditures between certificated airlines and other air transportation firms, but may also reflect the varying actuarial assumptions and other funding criteria which give rise to pension and retirement plan outlays. ¹⁹ These variations in levels of expenditures of firms with contributory or noncontributory plans do not, therefore, necessarily indicate higher or lower levels of plan benefits.

Composition of Payroll Hours

In 1964, working time accounted for about 92 percent of all hours for which operating and nonoperating employees in the

¹⁹ The high level of pension outlays for flight deck personnel result from the interaction of a number of variables, including early retirement—in some cases at age 45, normal retirement at age 60, liberal provisions for disability retirement, early vesting, and a host of other factors including high monetary benefit levels. For additional information, see Baitsell, op. cit. pp. 157-185.

air transportation industry received pay. Although working time as a proportion of total paid hours was similar for both employee groups, the actual number of hours worked by each were vastly different. Operating employees who work for certificated carriers (and comprise about 92 percent of all operating employees) are limited to 85 hours of flight time per month. However, total monthly hours worked by these employees may exceed 85 as the limitation is only on hours of flight time. Nevertheless, since nonflight hours are converted by formula to flight equivalents, the total number of hours that these employees can spend on the job in any period is still severely limited. Nonoperating employees, however, do not have these limitations and are generally scheduled to work 40 hours a week.

Paid Leave Hours. Paid leave hours at the all employee level, comprised about 8 percent of payroll hours—the equivalent of about 4 weeks of leave time per employee. Vacation hours accounted for slightly over half of all paid leave hours; holiday hours slightly over one-fourth; and sick leave hours just under one-fifth. Civic and personal leave amounted to only a minimal number of hours.

Nonoperating employees' vacation hours accounted for one-half of all their paid leave hours; holiday hours constituted almost onethird; and sick, civic, and personal leave hours accounted for the remainder. Vacation hours for operating employees accounted for 73 percent of all their paid leave hours; sick, civic, and personal leave accounted for more than 25 percent; and holiday hours-1 percent-accounted for the other paid leave hours. The low incidence of paid holiday hours for operating employees results directly from the certificated carriers practice of not paying their operating employees for holidays; they do, however, pay nonoperating employees for 7 holidays.

Paid Vacation Practices

During 1964, 93 percent of the operating and 88 percent of the nonoperating employees in the air transportation industry received some payment from their employers for vacation time. Three out of four air transportation workers received pay for 2 weeks or more of vacation—almost half (47 percent) of all employees received pay for 2 to 3 weeks

of vacation; and 1 out of 14 received pay for 4 to 5 weeks. In addition, another 13 percent of the workers were paid for less than 2 weeks of vacation.

There was considerable variation in the vacation pay patterns in the air transportation industry for operating and nonoperating employees. Only about 1 out of 4 non-operating employees but more than half of the operating employees received pay for 3 weeks or more of vacation. In contrast, about half of the nonoperating but slightly over one-fourth of the operating employees received 2 to 3 weeks' vacation pay.

In general, employees that worked for certificated carriers received pay for longer vacation periods than did the employees of other types of firms in the industry. In addition, although 12 percent of the workers in the industry as a whole were not paid for vacation time in 1964, only about 4 percent of the certificated carriers' work force did not receive any vacation pay during the year.

Paid Holiday Practices

Paid holiday practices in the air transportation industry are considerably different than those in other industries. Almost all (97 percent) of the nonoperating air transportation employees worked for companies that paid for holidays not worked—usually 7 days. However, fewer than 1 out of 10 operating employees received any paid holidays. In addition, the few operating employees that did receive pay for holidays not worked were generally paid for 3 holidays or less.

There were even sharper variations in the holiday provisions of certificated carriers for these two employee groups. None of the flight deck employees of domestic certificated carriers received any holiday pay, whereas virtually all (98 percent) of the nonoperating employees worked for airlines that paid them for holidays not worked.

Normal Workweek of Nonoperating Employees

About 9 out of 10 nonoperating employees in the air transportation industry and an even higher proportion of the nonoperating employees of the domestic certificated airlines worked for firms in which the regularly scheduled workweek consisted of 40 hours.

Table 1. Employer Expenditures for the Compensation of Employees, Air Transportation, 1964

		All employees		Оре	erating employ	rees	Nono	erating emp	loyees
Compensation practice	Percent of	Per	hour	Percent of	Per	hour	Percent of	Per	hour
	compensation	Paid for	Working time	compensation	Paid for	Working time	compensation	Paid for	Working time
				Air tran	nsportation co	mpanies			
Total expenditures	100.0	\$4.39	\$4.78	100.0	\$20.10	\$21.70	100.0	\$3.59	\$3.92
Gross payments to workers	91.9	\$4.03	\$4, 39	88.5	\$17.79	\$19.20	92,9	\$3.33	\$3,64
Straight-time pay for working time	81.2	3, 55	3, 87	78.6	15.76	17.01	81.8	2.92	3. 19
Premium payments	715	(i)	(1)	1 711	711	711	3, 0	. 11	. 12
Overtime, weekend, and holiday work) \\	}	} \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\	}ı {	}ı {) ₁ \	2.1	. 08	.08
Shift differentials	1 /1/	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	1 71	}ı {)ı ()ı (.9	. 03	.04
Pay for leave time	7.5	.33	. 36	6.7	1.35	1.45	7.8		.31
Vacations	4.1	. 18	.20	4.9	. 98	1.45	3.9	. 28	
	1.8			(2)	(²)			. 14	. 16
Holidays		. 08	. 08			(2)	2.3	. 08	. 09
Sick leave	1.6	. 07 (²)	(2)	1.8	. 35	. 38	1.5	.05 (²)	, 06
Civic and personal leave	.1		(²)	(ž)	, 02	3,02	1 .1		(²)
Nonproduction bonuses	.1	. 01	. 01		(²)	(²)	.2	.01	, 01
Terminal payments	.1	. 01	. 01	2	. 03	. 03	.1	. 01	. 01
Expenditures in addition to payroll	8.1	. 36	. 39	11.5	2.31	2.50	7.1	. 26	. 28
Legally required insurance programs 3	3.3	. 15	. 16	1.6	. 32	. 35	3.8	. 14	. 15
Retirement income and protection	2.0	. 09	.10	.9	. 18	. 19	2.3	. 08	. 09
Unemployment compensation	.9	. 04	. 04	.4	. 07	. 08	1.0	. 04	.04
Occupational injury and illness	.4	. 02	. 02	.4	. 07	. 08	.5	. 02	.02
Private welfare plans	4.8	. 21	. 23	9.9	1.99	2. 15	3.3	. 12	. 13
Life, accident, and health insurance	.9	. 04	. 04	.6	. 13	. 14	1.0	. 04	.04
Pension and retirement plans	3.9	. 17	. 19	9.3	1.86	2.01	2.3	. 08	. 09
		<u> </u>		Certi	ificated air ca	rriers	 		<u></u>
Total expenditures	100.0	\$4.63	\$5.07_	100.0	\$21.45	\$23.24	100. 0	\$3.43	\$3.74
Gross payments to workers	91.8	\$ 4. 25	\$4.65	88.3	\$18,95	\$ 20, 53	92.8	\$3.16	\$3,45
Straight-time pay for working time	80.8	3,74	4, 10	78.2	16.73	18.13	81.6	2.74	2.99
Premium payments	(1)	(1)	(1)	(1)	(1)	(1)	2.9	ii	. 12
Overtime, weekend, and holiday work	}ı (₁	<u> </u>	\ \rac{1}{2}\land	\ \h\\	}ı (/1 /	2. 6	. 07	. 08
Shift differentials	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\])ı (}ı	<u>}ı</u> (}i {	1.0	. 04	.04
Pay for leave time	7.7	1 . 36	`. 39	ì 6. á Ì	ì. 46	ì. 58	8.0	. 30	33
Vacations	4.3	. 20	, 22	4.9	1.06	1, 15	4.0	. 15	. 17
Holidays	1.7	. 08	. 09	l ' <u>'</u> '	1.00	1	2.3	. 08	io
Sick leave	1.6	.08	.08	1.8	. 39	.42	1.6	. 06	.06
Civic and personal leave	1.1	.01	.01	1.0	. 02			.00	
Nonproduction bonuses	:i	(2)	(2)	(²)	(²)	, 02 (²)	- 1	{2 }	(²)
							1 .1		
Terminal payments	8.2	.01	. 01	.2 11.7	. 04	. 04	.2	. 01	.01
Expenditures in addition to payroll		. 38	.42		2.50	2.71	7.1	. 27	. 29
Legally required insurance programs 3	3.2	. 15	. 16	1.5	. 32	. 35	3.7	. 14	. 15
Retirement income and protection	1.9	. 09	. 10	.9	. 18	. 20	2.3	. 09	. 09
Unemployment compensation	. 8	. 04	. 04	.3	. 07	. 08	1.0	.04	.04
Occupational injury and illness	.4	. 02	, 02	3	. 07	. 08	.4	. 02	.02
	1 5.0	. 23	1 .26	10.2	l 2.18	2.36	3.4	. 13	. 14
Private welfare plans									
Private welfare plans *	1 .9	.04	.04	.6 9.5	. 14	.15 2,21	2.4	. 04	.04

Data do not meet publication criteria. For detail, see footnote 5, p. 1 of the text.
Less than \$0,005 or 0.5 percent of workers.
Includes other legally required insurance programs, principally State temporary disability insurance, not presented separately.
Includes savings and thrift plans not presented separately.

Table 2. Percent Distribution of Employees by Employer Expenditures for Selected Compensation Practices as a Percent of Total Expenditures, Air Transportation, 1964

	Average	expenditures				Percer	nt of all	emplo	ees in	compar	ies				
		Companies with		With no				With e	xpendit	tures fo	r the p	actice			
Practice	All companies	expenditures for the practice	Total	expenditures for the practice	Under 1	l and under 2	2 - 3	3 -	4 - 5	5 - 6	6 - 7	7 - 8	8 - 9	9 -	10 and over
				A	ir trans	portatio	on comp	oanies							
Pay for leave time	7.5 4.1 1.8 1.6	7.5 4.2 1.8 1.6	100 100 100 100 100	1 (1) 3 8	- 1 5 7 92	1 3 83 73	2 4 7 18	1 51 3	4 37 1	1 3 -	27 - - -	22	38	2	3 -
Nonproduction bonuses	:1	. 2	100 100	38 39	58 61	2 -	1 -	(¹)	-	-	-	:	-	:	-
Legally required insurance programs ² Retirement income and protection Unemployment compensation Occupational injury and illness	3. 3 2. 0 . 9 . 4	3.3 2.0 .9 .4	100 100 100 100		71 93	76 26 6	49 22 3 1	39	7 -	4 -	1 - -	(¹)	-	= :	:
Private welfare plans 3	4.8 .9 3.9	4, 9 1, 0 4, 1	100 100 100	3 5 9	70 2	22 1	2 3 27	25	66 36	32	2 - 22	22 - -	=	:	=
					Certifi	cated a	ir carr	iers							
Pay for leave time	7.7 4.3 1.7 1.6	7.7 4.3 1.7 1.6	100 100 100 100 100	-	2 - 100	- 93 80 -	- 5 20	58	40	2 - -	30	25 - - -	42	-	2 -
Nonproduction bonuses	.1	.1	100 100	36 30	64 70	:	-	-	-	:	=	:	:	:	:
Legally required insurance programs ² Retirement income and protection Unemployment compensation Occupational injury and illness	3. 2 1. 9 . 8 . 4	3, 2 1, 9 . 8 . 4	100 100 100 100	-	- - 75 100	87 25	57 13 -	40	2	-	-	=	=	=	-
Private welfare plans 3	5. 0 . 9 4. 2	5.0 .9 4.2	100 100 100	2 -	2 80 2	17	2 1 29	27 - 3	5 - 40	38	26	26	-	-	-

Less than 0.05 percent of compensation or 0.5 percent of employees.
Includes other legally required insurance programs, principally State temporary disability insurance, not presented separately.
Includes savings and thrift plans not presented separately.

Table 3. Percent Distribution of Operating Employees by Employer Expenditures for Selected Compensation Practices as a Percent of Total Expenditures, Air Transportation, 1964

		rage					Per	rcent of	operati	ng emp	loyees	in comp	anies					
	expen	ditures Companies		With no ex-					Wi	th expe	nditure	s for th	e practi	ce				
Practice	All companies	with ex- penditures for the practice	Total	penditures for the practice	Under l	l and under 2	2 - 3	3 - 4	4 - 5	5 - 6	6 - 7_	7 - 8	8 - 9	9 - 10	10 - 11	11 - 12	12 -	13 and over
						A	ir tran	sportat	ion com	panies								
Pay for leave time	6.7 4.9 (1) 1.8	6.7 4.9 .7 1.8	100 100 100 100 100	(t) (1) 94 5 28	2 2 5 24 72	1 1 34	38	4 13 (i) -	25 45 -	11 12 -	5 24 - -	18 - - -	34 - - -		-	-		-
Nonproduction bonusesTerminal payments	(¹) . 2	(¹) , 3	100 100	56 54	42 40	- 6	-	1 -	-	:	:	-	:	-	:	-	-	:
Legally required insurance programs ² Retirement income and protection Unemployment compensation Occupational injury and illness	1.6 .9 .4 .4	1.6 .9 .4 .4	100 100 100 100	- (1,	- 80 94 95	87 12 5 3	5 7 (1) 2	.3 (¹) -	- - -	3 - -	2 - -	-	- - -	:	=	- - -	-	
Private welfare plans 3 Life, accident, and health insurance Pension and retirement plans	9. 9 . 6 9. 3	10.1 .6 9.5	100 100 100	6 9 7	(¹) 69 -	1 22 -	-	-	-	=	(¹)	(*) (*)	61	42 5	2	3 12	5 10	16 - 3
	<u> </u>	•					Certi	ficated	air carı	iers								
Pay for leave time	6.8 4.9 - 1.8 .1	6.8 4.9 - 1.8	100 100 100 100 100	100	- - 23 77	37	1 40	1 11 -	26 49 - -	12 13 - -	5 26 - -	19	37	-	- - - -	:	-	:
Nonproduction bonuses Terminal payments	(¹) . 2	(¹) .3	100 100	57 51	43 43	7	-	-	-	<u>-</u> -	:	-	-	-	-	-	:	-
Legally required insurance programs ² Retirement income and protection Unemployment compensation Occupational injury and illness	1.5 .9 .3 .3	1.5 .9 .3	100 100 100 100	:	- 87 100 100	95 13 -	5		- - -	-	-	-		-	- - - -	-	-	:
Private welfare plans 3 Life, accident, and health insurance Pension and retirement plans	10. 2 . 6 9. 5	10. 2 . 6 9. 5	100 100 100	3	74	22	-	<u>.</u>	- -	- -	- -	(*) (*)	23 66	46 - 5	2 - -	4 - 13	5 - 11	18 - 3

Less than 0.05 percent of compensation or 0.5 percent of employees.

Includes other legally required insurance programs, principally State temporary disability insurance, not presented separately.

Includes savings and thrift plans not presented separately.

An additional Z percent of all operating employees, 3 percent of those employed by certificated air carriers, worked for firms with expenditures of less than 8 percent, the precise amount, however, was indeterminant.

Table 4. Percent Distribution of Nonoperating Employees by Employer Expenditures for Selected Compensation Practices as a Percent of Total Expenditures, Air Transportation, 1964

		11.				Percen	t of non	operati	ng empl	oyees i	n compa	nies				
	Average	expenditures		With no	<u> </u>			w	ith expe	nditure	s for th	e practi	.ce			
Practice	All companies	Companies with expenditures for the practice	Total	expenditures for the practice	Under 1	and under 2	2 - 3	3 - 4	- 5	5 - 6	6 - 7	7 - 8	8 - 9	9 - 10	10 - 11	11 and over
					Air	ranspo	rtation	compan	nies							
Premium payments	3, 0 2, 1 . 9	3. 0 2. 1 1. 0	100 100 100	7	3 26 32	4 20 61	44 45 -	38 1	5 2 -	4 5 -	1 1 -	1 1 -		:	-	-
Pay for leave time Vacations Holidays Sick leave Civic and personal leave	7.8 3.9 2.3 1.5	7.8 4.0 2.3 1.5	100 100 100 100 100	1 (1) 3 9	1 3 7 91	1 3 7 84	2 4 83 7 -	1 49 6 -	5 40 1 -	1 3 - -	3 - - -	39 - - -	42 - - -	2 - - -	3 - - -	
Nonproduction bonuses	. 2	. 3	100 100	38 39	58 61	2 -	1 -	(1)	:	-	-	:	-	-	-	(¹)
Legally required insurance programs ² Retirement income and protection Unemployment compensation Occupational injury and illness	3.8 2.3 1.0 .5	3.8 2.3 1.0 .5	100 100 100 100	- - - 1	- 66 94	3 31 4	95 4 (1)	63 2 -	32	4 - -	1 - -	-	1 1 1	-	-	-
Private welfare plans 3 Life, accident, and health insurance ————————————————————————————————————	3.3 1.0 2.3	3.5 1.0 2.6	100 100 100	4 5 13	4 48 25	29 44 20	9 4 3	28 16	2 - 7	5 17	20 - -	-	-	:	-	-
		 			C	rtificat	ted air	carrier	8							
Premium payments Overtime, weekend, and holiday work Shift differentials	2.9 2.0 1.0	2.9 2.0 1.0	100 100 100	- - 3	26 27	19 70	49 50	46 - -	2 2 -	3 3	-		-	-		-
Pay for leave time	8.0 4.0 2.3 1.6	8.0 4.0 2.3 1.6	100 100 100 100 100	- - - -	100	- 2 93	- 95 7	56 3 -	42	2 - -	2 - - -	46 - - -	47 - - -	-	3 -	2 -
Nonproduction bonuses Terminal payments	.1	.2	100 100	36 30	64 70	-	-	:	-	:	-	-	-	:	-	-
Legally required insurance programs ² Retirement income and protection Unemployment compensation Occupational injury and illness	3.7 2.3 1.0	3. 7 2. 3 1. 0 . 4	100 100 100 100	- - -	- 69 100	32	100	69 - -	32	-	-	-		-	- - -	-
Private welfare plans Life, accident, and health insurance————————————————————————————————————	3.4 .9 2.4	3, 5 1. 0 2. 6	100 100 100	2 2 5 ·	2 54 29	29 44 22	9 1 -	31 18	- - 5	5 21	21 - -	-		:	-	-

Less than 0.5 percent of workers.

Includes other legally required insurance programs, principally State temporary disability insurance, not presented separately.

Includes savings and thrift plans not presented separately.

Table 5. Percent Distribution of Employees by Employer Expenditures for Selected Compensation Practices in Cents Per Paid Hour, Air Transportation, 1964

		verage enditures					100			Perce	ent of	all em	ploye	es in c	ompar	ies	-							
Practice	exp	Companies		With no ex-								With	expen	diture	s for t	he pr	actice							
	All com- panies	with ex- penditures for the practice	Total	penditures for the practice	Under 1	and under 2	2 - 3	3 - 4	- 5	5 - 6	6 - 7	7 - 8	8 - 9	9 - 10	10 - 11	11 - 12	12	13 - 14	14 - 15	15 - 16	16 - 17	17 - 18	18 - 19	19 - over
									Air	trans	portat	ion co	mpani	es						_				
Pay for leave time	0, 33 .18 .08 .07 (1)	0, 33 , 18 , 08 , 07 (1)	100 100 100 100 100	- 1 (1) 3 8	1 5 85	- 1 3 1 6	(¹)	- 2 4 1	1 2 2 2	(¹) 21	2 - 6 8 -	3 23 27	2 43 16	1 14 2	(1) (1) 1 12	1 1 2 -	1 -	1 2 -	1 4 - -	(¹) 8 -	- 4 - -	1 16 1 -	1 19 -	² 89 ³ 37 - -
Nonproduction bonuses Terminal payments	.01	.01	100 100	38 39	42 32	13 29	4	-	1 -	-	1 -	1	(¹)	(_r)	-	:	-	-	-	-	-	-	-	(¹)
Legally required insurance programs 4	.15 .09 .04 .02	.15 .09 .04 .02	100 100 100 100	1	1	- 3 59	11 32	52 5	1 9 1	- 19 (¹)	4 3	(1) 3 1 (1)	49 1	1 41 -	2	1 -	2 -	34	26 - -	5 -	24 - -	(¹)	(1)	2 - -
Private welfare plans 5 Life, accident, and health insurance Pension and retirement plans	.21 .04 .17	. 22 . 04 . 19	100 100 100	3 5 9	3	1 3 -	3 1 2	- 47 -	1 22 1	1 1 1	1 1 1	14	1 1 -	1 - 2	2 (1) (1)	1 - 1	- 1 23	- 1	(¹) - 3	-	23 - -	- 2	5	656 752
			1		لبــــــــــــــــــــــــــــــــــــ			·		ertifi	ated	air ca	rriers				·			L		'		•
Pay for leave time	.08	0. 36 . 20 . 08 . 08 . 01	100 100 100 100 100	-	93	- - - 7	:	2 -	-	- - 24	- 6 9 -	27 30	- 50 18	- 15 3	15	2	-	1 - -	5 -	9 -	5	18	21	* 100 * 41 - -
Nonproduction bonuses Terminal payments	.01	.01	100	36 30	47 35	12 34	4	-	-	-	<u>-</u>	-	-	-	-	-	-	-	-	-	-	-	-	:
Legally required insurance programs 4 Retirement income and protection Unemployment compensation Occupational injury and illness	.15 .09 .04 .02	.15 .09 .04	100 100 100 100	-	-	65	11 31	- 57 4	9	- 23 -	1111		54 - -	46 -	-		3 - -	38 - -	27	5 -	27	-	:	-
Private welfare plans 5 Life, accident, and health insurance Pension and retirement plans	. 23	. 23 . 04 . 19	100 100 100	2	2	3	2	- 54 -	23	- -	-	15	1	- - 2	2 -	-	. 27	- 1	- - 2	-	27 .	- 3	5 - 3	11 60

Less than \$0.005 or 0.5 percent of workers.

Includes 9 percent at 25-30 cents, 40 percent at 30-35 cents, 3 percent at 35-40 cents, 36 percent at 40-45 cents, and 1 percent at 45 cents and over.

Includes 36 percent at 20-25 cents, and 1 percent at 25 cents and over.

Includes other legally required insurance programs, principally State temporary disability insurance, not presented separately.

Includes savings and thrift plans not presented separately.

Includes 20 percent at under 25 cents, 13 percent at 25-30 cents, and 23 percent at 30-35 cents.

Includes 30 percent at under 25 cents, and 22 percent at 25-30 cents, 3 percent at 35-40 cents, and 41 percent at 40-45 cents.

All under 25 cents.

¹⁰ Includes 23 percent at 20-25 cents, 15 percent at 25-28 cents, and 26 percent at 30-35 cents.

¹¹ Includes 34 percent at under 25 cents, and 26 percent at 25-30 cents.

Table 6. Percent Distribution of Operating Employees by Employer Expenditures for Selected Compensation Practices in Cents Per Paid Hour, Air Transportation, 1964

		Pay	for leave t	ime		N		Lega	lly required	insurance p	rograms	Pri	vate welfare	plans
Expenditures (in cents per paid hour)	Total leave	Vacations	Holidays	Sick leave	Civic and personal leave	Non- production bonuses	Terminal payments	Total legally required	Retirement income and protection	Unem- ployment compen- sation	Occupa- tional injury and illness	Total private welfare ²	Life, accident, and health insurance	Pension and retire- ment plans
		· ···				Ai	r transpor	tation con	panies					
Average expenditures: All companies Companies with expenditures	\$1.35 1.35	\$0. 98 . 98	(³) \$0.05	\$0.35 .37	\$0.02 .02	(³) \$0.01	\$0.03 .07	\$0. 32 . 32	\$0.18 .18	\$0. 07 . 07	\$0. 07 . 07	\$1.99 2.14	\$0.13 .14	\$1.86 2.03
Percent of employees in companies:	100	100	100	100	100	100	100	100	100	100	100	100	100	100
With no expenditures for the practice With expenditures for the practice	(³) 99	(³) 99	94 6	5 95	28 72	56 44	54 46	100	100	100	(³) 99	6 94	9 91	7 93
Under \$0.01	(³) 2 (³) 1	2	5 1	- 3 -	22 50 -	40 2 -	40	-	(3)	12 80 4	36 37	(\$\vec{s}\$)	6 25	:
\$0. 15 and under \$0. 20 \$0. 20 and under \$0. 25 \$0. 25 and under \$0. 30	4	4	(³)	25 6 6		i -	2	4 4 33	8 76 16	3 - -	24 2 -	:	30 4 12 15	-
\$0. 30 and under \$0. 35	-	(³)	-	6 24 -				31 21 3 (³) 2	(*)	-	-	2	:	2
\$0.55 and under \$0.60 \$0.60 and under \$0.65 \$0.65 and under \$0.70	- - - 4	3 5 -	=	-	-	= =		-	-	:	-	:		-
\$0. 70 and under \$0. 75 \$0. 75 and under \$0. 80 \$0. 80 and under \$0. 85 \$0. 85 and under \$0. 90	- 3 -	2 21	:	10	=	=		-	:	-	-	:	-	:
\$0. 90 and under \$0. 95 \$0. 95 and under \$1. 00 \$1. 00 and under \$1. 10 \$1. 10 and under \$1. 20	5 21	21	-	:	:	-	-	-	:	-	-	:	-	:
\$1. 20 and under \$1. 30 \$1. 30 and under \$1. 40 \$1. 40 and under \$1. 50 \$1. 50 and under \$1. 60	2 6 -	34	=	:	=	=	:	=	-	=	- - -	2		2
\$1.60 and under \$1.70 \$1.70 and under \$1.80 \$1.80 and under \$1.90	24		:	-	-	-	-	=		-	-	- - 5	-	5 36
\$1. 90 and under \$2. 00 \$2. 00 and under \$2. 10 \$2. 10 and under \$2. 20 \$2. 20 and under \$2. 30	- - 10		:	-		-		-	=		-	24 - 39	-	3 24 2
\$2. 30 and under \$2. 40 \$2. 40 and under \$2. 50 \$2. 50 and under \$2. 60	-	=	:	=	:	=	:	:	:	:	-	2	-	- - 3
\$2.60 and under \$2.70 \$2.70 and under \$2.80 \$2.80 and under \$2.90 \$2.90 and under \$3.00	-			-	-	:		-	-			3 - -		- - - 4
\$ 3. 00 and over	-	-	-	-	-	-	-	-	-	-	•	14	-	10

See footnotes at end of table.

Table 6. Percent Distribution of Operating Employees by Employer Expenditures for Selected Compensation Practices in Cents Per Paid Hour, Air Transportation, 1964—Continued

		Pay	for leave t	ime		Non-		Lega	lly required	insurance p	rograms	Pri	vate welfare	plans
Expenditures (in cents per paid hour)	Total leave	Vacations	Holidays	Sick leave	Civic and personal leave	production bonuses	Terminal payments	Total legally required ^l	Retirement income and protection	Unem- ployment compen- sation	Occupa- tional injury and illness	Total private welfare 2	Life, accident, and health insurance	Pension and retire ment plan
		,		·		······································	Certificat	ed air car	rriers					
Average expenditures:			l		Į		ļ							
All companies	\$1.46 1.46	\$1.06 1.06	-	\$0.39	\$0. 02 . 02	(})	\$0.04 .07	\$0.32 .32	\$0.18 .18	\$0.07 .07	\$0.07 .07	\$2.18 2.18	\$0.14 .14	\$2.04 2.04
Percent of employees in companies:						. ,		'				2.10	. 12	2.04
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
With no expenditures for the practice			100		23	57	51	-	-	-		_	3	_
With expenditures for the practice	100	100	-	100	77	43	49	100	100	100	100	100	97	100
Under \$ 0. 01 \$ 0. 01 and under \$ 0. 05	-	-		-	24 54	43	43] :	<u> </u>	11	1 .:	-	-	-
\$0.05 and under \$0.10	l -	1 -		1 -	7		1 3	-	-	84	37 37	-	6	-
\$ 0. 10 and under \$ 0. 15	· -		l -	-		_	1 -	i :	3	2	24	-	26 31	-
\$0.15 and under \$0.20	-	-	-	27	-	-		4	80	3	2		34	1 -
\$0.20 and under \$0.25		-	l -	i -		-	-	3	18	_	1 7		13	1 -
\$0.25 and under \$0.30	-	-	-	6	i -	-	2	34	- 1	-	-	i -	17	
\$ 0. 30 and under \$ 0. 35	-		-	7	-	-	4	34	- :	-	-	_	_	-
\$ 0. 35 and under \$ 0. 40 \$ 0. 40 and under \$ 0. 45	-	1	-	6	-	-	-	21	-	-	-	3	-	3
\$ 0.45 and under \$ 0.50	-	- 4	-	26	-	-	-	3	- !	-	-	-		-
\$ 0.50 and under \$ 0.55	l i	7	-	17	1 :	-	-	2	-	-	-	-	-	-
\$0.55 and under \$0.60	:	4		''	1 :	-	j -		-	-	-	~	-	-
\$0.60 and under \$0.65	1 :	6	1 -	:	1 :	_	-	:	-	-	-	-	1 -	i -
\$0.65 and under \$0.70				[1 -		1 :	-	•	•	-	-	-	-
\$0.70 and under \$0.75	4	-			- 1	_	1	-		-	1 :	-	-	-
\$0.75 and under \$0.80		-	-	11	-	_	-	_	1]		1 7	_		-
\$0.80 and under \$0.85	3	3		ł -	-		-	_			1			_
\$ 0. 85 and under \$ 0. 90		23	-	-	-	-	-	-		-	1 -		[[
\$0.90 and under \$0.95	1 -	-	-	-	-	-	-	-	1 -		l -	_		1 -
\$0.95 and under \$1.00	7	1 -	-	i -	-	-	i -	-	-	-	1 -		_	_
\$1.00 and under \$1.10	23	23	-	l -	-	-	-	-	-	-	-	-	-	_
\$1.10 and under \$1.20	3	-		-	-	-	-	-	-	-	-	-	-	-
\$1.20 and under \$1.30 \$1.30 and under \$1.40	3	1 :	-	l -	-	-	-	-	-	-	-	-	-	-
\$1,40 and under \$1.50		37	-	i -	-	-		-	-	-	-	3	-	3
\$1.50 and under \$1.60	17] "	1 -	-	٠ -	-	· -	-	-	-	1	-	-	-
\$1.60 and under \$1.70	1 1	1 :			· ·	-	_	-	-	-	- '	-	-	-
\$1.70 and under \$1.80		1 -	[1 -	-	-	1 :	-	-	-	-	-	1 =
\$1.80 and under \$1.90	26	1 -		1 [[1 -	:		-	-	:	-	5
\$1.90 and under \$2.00	-:	-	_	i I	1 [1 -	_	1 -	-	1 -	5 27	-	40
\$2,00 and under \$2.10	l -	l -		_		-	1]	1 -	1 :	-	1 -	21	-	4 26
\$2.10 and under \$2.20	-] -		-	_	-		_	:		1	43	i -	20
\$2.20 and under \$2.30	11		-	-		-		_	1 -		1 - 1	*3		-
\$2.30 and under \$2.40	-		-	-	í - I	_	i -	l -			1 -	2	1 [1 -
\$2.40 and under \$2.50	-		- 1	-	-	-	-	- 1	-	_	_	1 :	1 -	1]
\$2.50 and under \$2.60		-	-	-	- '	-	-	-	-	-	1 -	-	-	3
\$2.60 and under \$2.70	-	-	-	-	-	-	-	-	-	-	-	3	-	1 -
\$2.70 and under \$2.80		j -	-	-	-	-	-	-	-	-	-	-	-	-
\$2,80 and under \$2,90	, -	-	j -	-	-	-		-	-	-	-	l -	-	-
\$2.90 and under \$3.00 \$3.00 and over	-	1 -	1	-	-	-	-	-	-	i -	-	- 1	-	4
a J. VU AND OVE F			1	-		_			1 .	•		15		111

Includes other legally required insurance programs, principally State temporary disability insurance, not presented separately.
 Includes savings and thrift plans, not presented separately.
 Less than \$0.005 or 0.5 percent of workers.

Table 7. Percent Distribution of Nonoperating Employees by Employer Expenditures for Selected Compensation Practices in Cents Per Paid Hour, Air Transportation, 1964

-	Δ.	verage							Perc	ent of	nono	perati	ng em	plove	es in	compa	nies_							
	expe	nditures		l	Г										s for t									
Practice	All com- panies	Companies with ex- penditures for the practices	Total	With no ex- penditures for the practices	Under 1	l and under 2	- 3	3 -	4 - 5	5 - 6	6 - 7	7 - 8	8 - 9	9 - 10	10 - 11	11 -	12 - 13	13 - 14	14 - 15	15 - 16	16 - 17	17 - 18	18 - 19	19 and over
	Ĺ								Aiı	tran	sporta	tion c	ompar	nies					, ,					
Premium payments Overtime, weekend, and holiday work	0.11 .08 .03	0.11 .08 .04	100 100 100	- 7	- - 9	2 4 3	1 2 3	1 23 58	1 3 12	1 1 8	11	17 7 -	22 -	2	16 -	11 (t)	24 1	16 2 -	3 -	1 -	1	1 -	2	1 1 -
Pay for leave time Vacations Holidays Sick leave Civic and personal leave	.28 .14 .08 .05 (¹)	28 14 08 05 (1)	100 100 100 100 100	1 (1) 3 9	1 4 83	1 2 1 8	(¹) (¹) -	- 4 4 1	2 2 27	(1) (1) 29	2 16	3 (1) 23 14	2 21 3	1 36 2	(1) 4 3	1 4 1 -	10 1	1 16 - -	1 17 - -	1		1 34 1 -	1	2 89 2 - -
Nonproduction bonuses	.01	. 01 . 01	100 100	38 39	42 38	13 22	4	-	1 -	(¹) -	1 -	1 -	(¹)	-	-	-	-	-	-	-	-	-	-	(¹)
Legally required insurance programs 3	. 14 . 08 . 04 . 02	. 14 . 08 . 04 . 02	100 100 100 100	1	28	- 4 35	11 33	- 58 2	1 23 1	î (¦)	- 4 3 -	(1) 23 1	45 1	1 24 -	2 1 -	3 - - -	23	38 - - -	7 - - -	20 - - -	2	(t) -	-	3 -
Private welfare plans 4 Life, accident, and health insurance Pension and retirement plans	. 12	. 13 . 04 . 10	100 100 100	5 13	3 -	3	2 42 25	2 9 2	1 19 2	23 2 1	1 14 4	2 1 11	2 1 (1)	4 - -	2 (¹)	16	1	(¹)	26 - 5	-	-	4 - -	1 - 17	5 20 - 2
				<u></u>					Ce	rtifica	ted ai	r car	riers											
Premium payments Overtime, weekend, and holiday work	0. 11 . 07 . 04	0. 11 . 07 . 04	100 100 100	- 3	- - 4	- 3	- 3	- 28 69	- 4 13	- - 6	7 13 -	21 5 -	27	3	18	13	25 -	18 2 -	2	-	- 1 -	1	3 3 -	-
Pay for leave time	. 30 . 15 . 08 . 06 (¹)	. 30 . 15 . 08 . 06 (¹)	100 100 100 100 100	-	- - 90	10	-	2	29	33	- 1 18	28 15	- 25 2	- 42 2	4 3 -	3	12 - - -	18	21	-	-	40	-	6100
Nonproduction bonuses	(¹) .01	. 01 . 01	100 100	36 30	47 43	13 27	4	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	:
Legally required insurance programs 3	. 14 . 09 . 04 . 02	. 14 . 09 . 04 . 02	100 100 100 100	-	- 32	- - 36	11 32	- 64 -	25	-	-	23 -	50	27	- - -	1	28	42 - -	6 -	23		-	-	
Private welfare plans 4 Life, accident, and health insurance Pension and retirement plans	. 13 . 04 . 09	. 13 . 04 . 10	100 100 100	2 2 5	2 -	- 3 -	- 49 29	3 7 3	21 2	27	15 4	13	1 1 -	4 - -	3	18	-	- - -	31 - 5	-	- -	5 - -	21	7 21 - -

Less than \$0,005 or 0.5 percent of workers.

Includes 5 percent at 20-25 cents, 43 percent at 25-30 cents, 36 percent at 30-35 cents, and 5 percent at 35 cents and over.

Includes other legally required insurance programs, principally State temporary disability insurance, not presented separately.

Includes savings and thrift plans not presented separately.

Includes 18 percent at under 25 cents and 2 percent at 25 cents and over.

Includes 6 percent at 20-25 cents, 50 percent at 25-30 cents, 43 percent at 30-35 cents, and 2 percent at 35 cents and over.

All under 25 cents.

Table 8. Leave Hours as a Percent of Total Paid Hours, Air Transportation, 1964

	Paid leave hours					P	ercent of	workers	in com	panies	with		-			
Employee group and type of leave	as a percent of total	Workers in all	No paid				Paid le	ave as a	percent	of tota	l paid h	ours of	_			
and type of feave	paid hours	companies	leave hours	Under 1	l and under 2	3	3 - 4	5	5 - 6	6 - 7	7 - 8	8 - 9	10	10	11 - 12	and over
					Air tr	neporta	tion com	panies								
All employees																
Paid leave	8. 3 4. 2 2. 3 1. 6	100 100 100 100 100	(1) (1) 3 8	1 4 7 92	(1) 3 5 68	3 2 85 23	1 15 5 -	3 74 1 -	4		5	67	13 - - -	3 - - -	1	:
Operating employees							İ									
Paid leave	7.4 5.4 .1 1.8 .1	100 100 100 100 100	(1) (1) 94 5 28	(1) 2 5 24 72	2 1 10	1 2 (1) 52	11 (1) 10	7 30 - - -	21 20 - -	11	7 34 - -	16 - - -	24 - - -		10	(1)
Nonoperating employees																
Paid leave Vacations Holidays Sick leave Civic and personal leave	8.3 4.2 2.5 1.6	100 100 100 100 100	1 (¹) 3 9	(¹) 3 7 91	(1) 4 5 70	2 85 20 -	1 15 5 - -	4 74 1 -	5 - -		1	70 - - - -	13	3	1	
		<u> </u>	· · · · · · · · · · · · · · · · · · ·	L	Cer	tificated	air car	riers		•						.
All employees																
Paid leave	8. 6 4. 4 2. 4 1. 7	100 100 100 100 100	:	100	- 2 75	98 25	14 - - -	83 - -	2 -	2 -	5 - - -	79 - - -	12 - - -	2	:	
Operating employees																
Paid leave Vacations Holidays Sick leave Civic and personal leave	7. 7 5. 6 2. 0 . 1	100 100 100 100 100	100	23 77	- - 11	56	11 11	4 30 - -	23 22 -	12	7 37 - -	19 - - -	26 - - - -	-	11	:
Nonoperating employees													j]
Paid leave Vacation3 Holidays Sick leave Civic and personal leave	8. 7 4. 4 2. 5 1. 7 . 1	100 100 100 100 100		100	- - 2 77 -	98 23	14 - - -	84 - -	- 2 - -	2	-	83 - - -	13	2 - - -	:	-

¹ Less than 0.05 percent.

Table 9. Percent Distribution of Employees by Number of Weeks of Vacations Paid For, Air Transportation, 1964

		Percent of employees receiving								
Industry segment	Percent of workers		Vacation pay, by weeks paid for							
and employee group	in all companies		Under 1	l and under 2	2 - 3	3 - 4	4 - 5	5 and over		
Air transportation companies:										
All employees Operating employees Nonoperating employees	100 100 100	12 7 12	6 4 7	7 11 6	47 26 49	21 28 20	7 24 6	-		
Certificated air carriers:										
Ali employees	100 100 100	4 3 4	8 4 8	6 11 6	49 25 52	24 30 24	9 26 7	- - -		

Table 10. Percent Distribution of Employees by Number of Holidays Paid For, Air Transportation, 1964

			Percent of employees in companies with paid holidays of-							
Industry segment and employee group	All workers		Under 3	3	Over 3 and under 7	7	Over 7 and under 8	8	Over 8	
Air transportation companies:										
Operating employeesNonoperating employees	100 100	94 3	2 -	3 1	1 4	- 84	-	4	3	
Certificated air carriers:										
Operating employees	100 100	100 2	:	- -	:	96	-	2	=	

Appendix A. Expenditures as Proportions of Payroll

In the body of the text, all supplements have been measured as a proportion of total compensation. This approach allows one to examine the level and structure of compensation expenditures. However, for some purposes, it may be desirable to examine expenditures for pay supplements in different ways. Two of the techniques often used are to express these outlays as percentages of gross or of straight-time payroll. The appendix table expresses supplementary expenditures in these terms. It should be noted that the supplements, when measured as a percent of gross or straight-time payroll, cannot be added to other payroll statistics since some supplements are part of payroll and others are in addition to payroll. The appendix table permits comparison of expenditures in the air transportation industry with similar statistics published by BLS in prior years for other industries.

Straight-time pay is derived by subtracting overtime, weekend, holiday, and shift premium from gross payroll.

Table A-1. Employer Expenditures for Selected Compensation Practices as a Percent of Payroll, Air Transportation, 1964

		F	ercent of g	ross payro	11			Perc	ent of stra	ight-time pa	yroll	
Practice	A	il companie	s		ies with expe r the practi		A	ll companie			es with expe r the practi	ce
	All employees	Operating employees	Non- operating employees	All employees	Operating employees	Non- operating employees	All employees	Operating employees	Non- operating employees	All employees	Operating employees	Non- operating employees
					Aiı	transporta	tion compar	nies				·
Premium paymentsOvertime, weekend, and holiday workShift differentials	(1) (1) (1)	(1) (1) (1)	3. 3 2. 3 1. 0	(1) (1) (1)	(1) (1) (1)	3. 3 2. 3 1. 1	(1) (1) (1)	(¹) (¹) (¹)	3. 4 2. 3 1. 0	(1) (1) (1)	(¹) (¹)	3. 4 2. 3 1. 1
Pay for leave time	8. 2 4. 5 1. 9 1. 7	7.6 5.5 (1) 2.0	8. 4 4. 2 2. 4 1. 6	8. 2 4. 5 1. 9 1. 7	7.6 5.5 .7 2.0	8. 4 4. 3 2. 4 1. 6	8.5 4.7 2.0 1.7	7.8 5.7 (²) 2.1	8.7 4.4 2.5 1.7	8.5 4.7 2.0 1.8	7.8 5.7 .7 2.1	8.7 4.4 2.5 1.7
Nonproduction bonuses	. 2	(²) .2	.2	. 2	(²) . 4	. 3 . 2	. 2	(²) .2	. 2 . 2	. 3	(²) . 4	. 3
Legally required insurance programs ³	3. 6 2. 2 . 9 . 5	1.8 1.0 .4 .4	4.6 2.5 1.1 .5	3. 6 2. 2 . 9 . 5	1.8 1.0 .4 .4	4.6 2.5 1.1 .5	3. 7 2. 3 1. 0 . 5	1.9 1.0 .4 .4	4.8 2.6 1.1 .5	3. 7 2. 3 1. 0 . 5	1. 9 1. 0 . 4 . 4	4.8 2.6 1.1 .5
Private welfare plans 4	5. 2 1. 0 4. 2	11. 2 . 7 10. 5	3. 6 1. 1 2. 5	5. 3 1. 0 4. 5	11. 4 . 7 10. 7	3. 7 1. 1 2. 8	5. 4 1. 0 4. 3	11.6 .7 10.8	3. 7 1. 1 2. 6	5. 5 1. 1 4. 6	11.9 .8 11.1	3, 9 1, 2 2, 9
						Certificated	air carrier	s		,		
Premium paymentsOvertime, weekend, and holiday workShift differentials	(1) (1) (1)	(1) (1) (1) (1)	3. 2 2. 1 1. 1	(i) (i) (i)	(1) (1) (1)	3. 2 2. 1 1. 1	(1) (1) (1)	(¹) (¹) (¹)	3. 3 2. 2 1. 1	(1) (1) (1)	(t.)	3. 3 2. 2 1. 1
Pay for leave time Vacations Validays Sick leave Civic and personal leave	8. 4 4. 6 1. 9 1. 8	7. 7 5. 6 - 2. 0 . 1	8.6 4.4 2.5 1.7	8. 4 4. 6 1. 9 1. 8	7. 7 5. 6 - 2. 0	8.6 4.4 2.5 1.7	8.7 4.8 1.9 1.8	8. 0 5. 8 - 2. 1 . 1	8. 9 4. 5 2. 5 1. 8 . 1	8.7 4.8 1.9 1.8	8. 0 5. 8 - 2. 1	8. 9 4. 5 2. 5 1. 8 . 1
Nonproduction bonuses	. 1 . 2	(²) . 2	. 1 . 2	. 1 . 2	(²) . 4	. 2	.1	(²) . 2	. 1 . 2	. 1	(²) . 4	. 2 . 2
Legally required insurance programs 3 Retirement income and protection Unemployment compensation Occupational injury and illness	3. 4 2. 1 . 9 . 4	1.7 1.0 .4 .4	4.5 2.5 1.0 .5	3. 4 2. 1 . 9 . 4	1.7 1.0 .4 .4	4.5 2.5 1.0 .5	3. 6 2. 2 . 9 . 5	I. 8 1. 0 . 4 . 4	4.7 2.6 1.1 .5	3.6 2.2 .9 .5	1.8 1.0 .4 .4	4, 7 2, 6 1, 1 , 5
Private welfare plans 4 Life, accident, and health insurance Pension and retirement plans	5.5 .9 4.5	11. 5 . 7 10. 8	3, 7 1, 0 2, 6	5. 5 1. 0 4. 5	11.5 .7 10.8	3. 7 1. 0 2. 8	5. 7 Î. 0 4. 7	11. 9 . 7 11. 1	3. 8 1. 1 2. 7	5.7 1.0 4.7	11.9 .8 11.1	3. 9 1. 1 2. 8

Data do not meet publication criteria.
 Lees than 0.05 percent.
 Includes other legally required insurance programs, principally State temporary disability insurance, not presented separately.
 Includes savings and thrift plans not presented separately.

Appendix B. Scope and Method of Survey

Scope of Survey and Industry Classification

This study of employer expenditures for the compensation of employees covers all companies in SIC 45—Transportation by Air—classified in accordance with the 1957 edition of the Standard Industrial Classification Manual (SIC) and 1963 Supplement prepared by the U.S. Bureau of the Budget. The industry is composed of the following groups:

SIC 451-Air Transportation, Certificated Carriers

SIC 452-Air Transportation, Noncertificated Carriers

SIC 458-Fixed Facilities and Services Related to Air Transportation

Survey coverage extended to the 50 States and the District of Columbia. Data relate to the calendar year 1964 and are limited to irrevocable cash disbursements of employers (thus excluding amounts segregated in bookkeeping transactions over which the company retained control) for the compensation of employees.

Definition of Terms

Compensation, for purposes of this study, is defined as the sum of the payments, subject to Federal withholding taxes, made by employers directly to their employees before deductions of any type; and the expenditures made by employers for legally required insurance programs and private welfare plans to provide the worker with full—or partial—economic security against a future contingency (e.g., unemployment, retirement, medical expenses, etc.).

Hours paid for consist of aggregate hours worked, paid leave hours, rest periods, coffee breaks, and other nonleave hours paid for but not worked (such as those on duty but during which no work was performed) for which employers made direct payments to workers during the year. See appendix C for a more detailed definition of total man-hours for operating employees. Working time excludes paid leave time.

Expenditure ratios for "all companies" represent the expenditures for the practice divided by total compensation for all companies, both those with and without expenditures—whereas, the ratios for "companies with expenditures for the practice" relate the same expenditures to the total compensation of only those establishments that reported an actual expenditure. The expenditure rates represent the same expenditures divided by the corresponding man-hours.

The expenditures ratios used in the body of this report were obtained by using the following formulas:

1. Expenditures as a percent of compensation.

Expenditure for the practice x 100 Total compensation (comprised of gross payroll, private welfare, and legally required insurance expenditures).

2. Expenditures in cents per paid hours

Expenditure for the practice

Total paid hours including hours of paid leave.

3. Expenditures in cents per working hour=

Expenditure for the practice

Total paid hours minus hours of paid leave.

The other terms used in this bulletin are defined on the questionnaire forms reproduced in appendix C that was used in the study.

Collection of Data

Data were collected by personal visits and mail questionnaires. Personal visits also were made to a sample of companies that had not responded to the two mail requests.

Sampling Procedures

The survey was conducted on the basis of a highly stratified probability sample. The sample was designed to permit separate presentation of data for the air transportation industry (SIC 45) and domestic certificated air carriers (part of SIC 451).

The list of companies from which the sample was selected was developed from lists maintained by the State agencies administering the unemployment compensation laws, and from a list maintained by the Civil Aeronautics Board for regulatory purposes.

The sample was so selected within the industry as to yield the most accurate estimates possible with the resources available. This was done by requesting companywide reports and by including a greater proportion of larger companies than of small in the sample.

In general, a company's chance of selection was roughly proportionate to its employment size.

Data were obtained from companies that employed approximately 124,100 workers—about 58 percent of the total employment in the industry during 1964.

Method of Estimation

Data for each sample member were weighted in accordance with the probability of selection of that company. For instance, where 1 company out of 2 was selected in a size-industry class, it was considered as representing itself as well as another company, i.e., it was given a weight of two. Thus, if the company had 1,000 hours of vacation leave and 50,000 hours of paid hours of all classes, it would contribute 2,000 vacation hours and 100,000 total hours to the final estimate.

Reporting Problems

Separate data by company and type of supplementary compensation practice were collected in most cases. However, all companies do not keep records in such a manner as to be able to furnish actual figures in this detail, and some approximations had to be accepted. Estimates, using collateral data, were made in certain cases where records were not kept or were summarized only for specific practices.

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.

Appendix C. Questionnaire

Budget Bureau No. 44-6542 Approval expires 6-30-66 **BLS 2863** U.S. DEPARTMENT OF LABOR BUREAU OF LABOR STATISTICS WASHINGTON, D.C. 20212 Employer Expenditures for Selected Compensation Practices in Transportation Industries, 1964 Company Identification Your reply will be held in confidence. This report should cover all units of the company which are primarily engaged in transportation activities, and should not be limited to activities at the address shown. If the company was engaged in two or more substantially different transportation activities, e.g., oil tanker and pipeline operations, separate reports should be submitted. 1. Principal Transportation Activity (Check only one box) F. Marine cargo handling A. Intercity bus line Local or suburban transit Air transportation, certificated carrier Taxicab operator H. Pipelines, except natural gas D. Deep sea foreign transportation Other water transportation I. Other (specify) 2. Employment For each employee category, enter the total number of full- and part-time employees on the payroll who worked or received pay for any part of the payroll period which included September 12, 1964. Include officers of corporations, but exclude proprietors and partners of unincorporated firms. Also exclude pensioners and members of the Armed Forces on active duty carried on the rolls but not working during the period. (Definitions of the terms "operating" and "nonoperating" employees are on page 2 of this questionnaire. If there were no workers in one of the employee categories, enter "none.") **Employment** Operating employees_____ Nonoperating employees -----For BLS use only Est. Schedule City Special State SIC Weight Reg. number size size char.

GENERAL EXPLANATIONS

Please answer the questions which follow separately for operating and nonoperating employees. If records do not permit reporting separate figures for the two groups, and estimates cannot be made, enter a combined figure and indicate that it is for operating and nonoperating employees.

Operating Employees are supervisory and nonsupervisory employees who work aboard moving vehicles, such as bus and taxi drivers; marine engineers, seamen, cooks; and airline pilots. However, exclude workers who merely move vehicles to or from loading, maintenance, or parking areas and operators of construction equipment or loading devices such as baggage or forklift trucks. Reports for marine cargo handling should treat all pier personnel as operating employees.

Nonoperating Employees include all supervisory and nonsupervisory employees not classified as operating employees, such as pumpmen, shop maintenance employees, and office workers. Reports for pipelines should treat all employees as nonoperating employees.

If the only figure available combines data for several lines on this questionnaire, report the combined figure and bracket the lines included or otherwise indicate what is included in the figure reported.

If exact information is not available for an item, where possible please provide a carefully considered estimate. If any of the figures reported are estimated, please list on page 8 the items which were estimated and indicate how the estimates were made.

IF NO EXPENDITURES OR MAN-HOURS WERE INVOLVED DURING 1964 FOR A GIVEN ITEM, ENTER "0" IN THE APPROPRIATE SPACE. PLEASE DO NOT LEAVE ANY LINES BLANK.

COMPANIES IN THE AIR TRANSPORTATION, MARITIME, INTER-CITY BUS, AND LOCAL TRANSIT INDUSTRIES SHOULD READ THE ACCOMPANYING SUPPLEMENTARY EXPLANATION SHEET BEFORE COMPLETING THIS QUESTIONNAIRE.

3. Payments Made Directly to Employees as Part of the Payroll in 1964

In this section report only payments which were part of the company's 1964 gross payroll. Include only payments to employees as defined in Item 2. Do not report payments to funds, trustees, insurance companies, or government agencies; these payments should be reported in Item 5.

Α,	Gross Payroll:		
	Enter total employee earnings during 1964, before deductions. This amount should equal the sum of the figures shown on individual employ-	Operating	Nonoperating employees
	ees' W-2 forms under the heading "Total Wages Paid"	\$	\$
в.	Paid Leave:		
	Enter total amounts paid directly to employees for each type of leave. Include payments under formal plans and informal salary continuation plans. If employees worked on paid holidays or during vacations and received both pay instead of time off and pay for work performed, include here only the pay in lieu of time off.		
	1. Vacations		
	2. Holidays		
	3. Sick leave		
	4. Military, jury, witness, voting, and personal leave (excluding pay for serving as a witness for the employer)		
c.	Premiums Above Regular Pay:		
	 Premium pay for overtime, weekend, and holiday work. 		
	Enter total payments above the regular straight-time pay for work performed. For example, if overtime is paid for at time and one-half, report only the half-time here. For work on holidays, exclude pay at the regular rate for work performed and pay in lieu of time off; report only payments above these sums (that is, if total pay for holiday work is double time and one-half, include only the half-time pay here)		
	2. Shift differentials.		
	Enter total payments above rates for the day shift. If late-shift workers receive 8 hours' pay for 7½ hours' work, compared with 8 hours' work for the day shift, report the ½ hour's pay as a shift differential		

D.	Nonproduction	Bonuses
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Report total cash bonus payments that were not directly related to employees' production. Include yearend and Christmas bonuses and attendance, longevity, safety, suggestion, merit, and related awards. Also include cash from profit-sharing plans actually paid out to employees in 1964 in the form of bonuses. Exclude production incentive payments, commissions, premiums for hazardous work, cost-of-living adjustments, terminal payments (reported below in Item 3-E), payments for educational assistance, per diem, expense account payments, and payments in the form of merchandise

ļ	Employer	payments to	L
	Operating	Nonoperating	ī
	employees		N
i			E
	_		
-	\$	\$	1
		•	

E. Terminal Payments:

4. Man-hours Paid For in 1964

Report as total hours paid for those hours for which the payments reported in Item 3-A were made. They consist of hours on duty (operating employees) or paid for hours at the workplace (nonoperating employees), additional hours paid for to make up guarantees, and the man-hours equivalent to direct employer payments for leave time. Do not convert overtime or other premium paid hours to straight-time equivalent hours. Do not include hours equivalent to payments by funds, trustees, or insurance companies.

Report as paid leave hours the man-hours for which the leave pay entered in Item 3-B was made. Report only the man-hours equivalent to the pay received. For example, if an employee who is regularly paid \$2 an hour was given \$5 for a day's absence, report $2^{1}/_{2}$ hours (\$5 \div \$2).

	Operating Nonoperating		
Total Hours Paid For, Including Paid Leave Hours	hrs.	hrs.	3
Paid Leave Hours:			
l. Vacations			4
2. Holidays			5
3. Sick leave			6
4. Military, jury, witness, voting, and personal leave (excluding pay for serving as a witness for the employer)			7
	Paid Leave Hours: 1. Vacations ————————————————————————————————————	Total Hours Paid For, Including Paid Leave Hours: 1. Vacations 2. Holidays 3. Sick leave 4. Military, jury, witness, voting, and personal leave (excluding pay for serving as	Total Hours Paid For, Including Paid Leave Hours: 1. Vacations 2. Holidays 3. Sick leave 4. Military, jury, witness, voting, and personal leave (excluding pay for serving as

5. Employer Expenditures in Addition to Payroll in 1964

A. Private Welfare Plans:

Enter total employer expenditures for the plans listed below. Exclude employee contributions, employer payments already reported as payroll expenditures, those for legally required programs, and administrative costs (including actuarial and legal expenses) incurred by the company. Include payments to funds, trustees, insurance companies, employees or their beneficiaries, and to plans financed through profit sharing. However, exclude payments made by funds, trustees, or insurance companies and income earned by funds. For payments to insurance carriers report only net expenditures (i.e., premiums less refunds). Include payments for current employees, employees on layoff status, retired employees, and dependents of these employee groups.

1.	Health, accident, and life insurance.		ployer	L
	Enter payments for life insurance; accidental death and dismemberment insurance; death benefits; travel accident insurance; hospitalization, surgical, medical, major medical, dental, optical, and drug plans; and sickness and accident (wage and salary continuance) insurance. Exclude expenditures for in-plant medical facilities		itures for Nonoperating employees	I N E
2.	Pension and retirement plans.			
	Include direct payments to pensioners under a pay-as-you-go plan. For funded plans, report payments in 1964 for past and current service liabilities. Include payments under profit-sharing plans deferred until retirement and payments for disability retirement programs			2
3.	Vacation and holiday funds			3
4.	Severance or dismissal pay funds and/or supplemental unemployment benefit funds			4
5.	Savings and thrift plans (including company expenditures for contributions in the form of stock)			5
6.	Automation funds.	}		
	Report here payments to special automation funds. Do not include these payments elsewhere on the questionnaire. For example, if an automation fund provides retirement benefits, report the payment to the fund here and not in Item 5-A-2, above. (However, do not report regular payments to a retirement fund here.) Specify the name of the automation fund and the benefit provided.			6
7.	Other (specify)	L		7

	Report the company's net liability for 1964 under required by law. Exclude employee contributions ernment agencies, insurance companies, and directinsured plans. Report net insurance premiums (i. If a self-insured plan was in effect, exclude the costs. Report the liability incurred in 1964 rather paid during 1964. Do not report any expenditures as payroll expenditures.	Report pactly to work e., premium e company's er than the	ayments to greers under sens less refunds administration amount actual
	• , •	1	ployer
			itures for
			Nonoperating employees
	1. Payments for pension programs (Social Security and Railroad Retirement)	\$	\$
	 Unemployment insurance (State unemployment compensation and Railroad Unemployment Insurance)— 		
	a. Payments to Federal Government		1
	b. Payments to State government		
	3. Payments for work-connected disability.		
	Include payments under workmen's com- pensation laws, payments in companies sub- ject to the Federal Employers' Liability Act, and payments into the Ohio Disabled Workmen's Relief Fund————————————————————————————————————		
	4. Other, including State temporary disability insurance.		
	Specify type of payment reported. If obligations under a State temporary disability insurance law were met by employer expenditures reported elsewhere on this questionnaire, enter "O" and indicate the item containing the expenditure.		
	6. Establishment Practices and Pr	olicies	
۸.	Paid Holidays Observed During 1964:		
	Enter number of days per employee. If more tan employee category, report that which applied the category. Do not include days for which premi was performed, but no pay was given if the days we	to the great um rates we	atest number ere paid if w
			r employee
		Operating employees	Nonoperating employees
		_	

в.	Paid	Vacations
о.	Falu	v acamono.

Report below the approximate number of employees who received vacation pay directly from the company according to the amount of pay received during 1964 and not the time taken for vacation. If vacation pay was not a direct multiple of weekly or hourly rates, report according to the number of weeks equivalent to the pay received. For example, if the amount of vacation pay was a percentage of annual earnings, report payments of about 2 percent as 1 week's vacation pay, about 4 percent as 2 weeks' pay, etc. Exclude employees whose vacation payments were received from funds.

Employee category		Number of employees receiving—							
	No vacation pay	Under l week's pay	l and under 2 weeks' pay	2 and under 3 weeks pay	3 and under 4 weeks ⁶ pay	4 and under 5 weeks! pay	5 weeks' pay or more		
Operating									
Nonoperating									

C. Welfare and Pension Plans (Other Than Legally Requir	c.	Welfare and	d Pension	Plans	(Other	Than	Legally	Rec	uired	l)
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1.	Were any employees covered by a <u>private</u> plan paid entirely or in part by the company (other than company payments for	Operating Nonoperating employees employees				
	administrative expenses)? (Answer "yes" if there were such plans even if there were no employer expenditures in 1964.)	(Check one) (Check one)				
	· , ·	Yes	No	Yes	No	
	a. Health, accident, or life insurance (as defined in Item 5-A-1)					3
	b. Pension or retirement benefits (as defined in Item 5-A-2)					4
2.	If "yes" was answered to either or both parts of C-1, did any employees contribute to the costs of <u>any</u> of the benefits? (Check "no" if employee contributions only purchased supplemental benefits or dependents! coverage.)					
	a. Health, accident, or life insurance					5
	b. Pension or retirement benefits					6
Col	lective Bargaining Agreements:					
	collective bargaining agreements cover a ority of the nonsupervisory employees?					7

D.

E.	Ho	w: ea	man ch c	y ho f the	ırs p	per w lowir	eek v	- were tegor	norm	or the	rked b	veek	applyin	gʻto	of employ	
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													mber o urs per week	nı	Average umber of mployees	
	1.	N	onsı	per	/iso	y cl	erica	l wor	kers.			-		\bot		_ 1
	2.								eratir					1		_ 2
	3.							l, and	d 		·					_ 3
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Aut	hori	zii	ng o	ficia	pert	inent	expl	(Ple	on of	or type)	a you l	itle				

Employer Expenditures for Selected Compensation Practices in Transportation Industries, 1964

Supplemental Explanations for Airlines

Scope of Report

Foreign flag airlines should report data only for employees based and paid in the United States.

Operating and Nonoperating Employees

For purposes of this survey, stewards and stewardesses are to be considered as nonoperating employees.

Premium Pay for Overtime, Weekend, and Holiday Work

Report in Item 3-C-1 premiums above regular pay for work outside regular straight-time working hours. Include such items as premiums for flying on scheduled days off and for transcontinental nonstop flights over 8 hours. Exclude premium or penalty pay not related to the hours at which work is performed, for example, premiums for international override or for offshore operations.

Severance or Dismissal Pay

Include furlough pay.

Total Man-Hours

For operating employees, report as total hours paid for, hours on duty plus other hours paid for, such as paid leave hours and time involved in guaranty allowances. Hours on duty consist of actual flight hours plus other hours in the employer's service (whether directly paid for or not) such as required duty periods before and after flight time, training time, time spent in deadheading at the employer's direction, and time spent in surface transportation between terminals.

★ U.S. GOVERNMENT PRINTING OFFICE: 1967 0-280-643

Other BLS Publications on Compensation Expenditures and Payroll Hours

Bulletin number		Price
1561	Compensation Expenditures and Payroll Hours: Motor Passenger Transportation Industries, 1964 (1967).	40 cents
1528	Compensation Expenditures and Payroll Hours: Pipelines, 1964 (1967).	25 cents
1470	Supplementary Compensation for Nonproduction Workers, 1963 (1965).	70 cents *
1428	Employer Expenditures for Selected Supplementary Compensation Practices for Production and Related Workers; Composition of Payroll Hours: Manufacturing Industries, 1962 (1965).	\$1.00
1419	Employer Expenditures for Selected Supplementary Remuneration Practices in Finance, Insurance, and Real Estate Industries, 1961 (1964).	45 cents
1413	Employer Expenditures for Selected Supplementary Compensation Practices for Production and Related Workers, Meatpacking and Processing Industries, 1962 (1964).	25 cents
1332	Employer Expenditures for Selected Supplementary Remuneration Practices for Production Workers in Mining Industries, 1960 (1963).	45 cents *
1308	Employer Expenditures for Selected Supplementary Remuneration Practices for Production Workers in Manufacturing Industries, 1959 (1962).	65 cents*

^{*} Out of print. These bulletins are generally available for reference purposes at leading public, college, or university libraries, or in the Bureau's regional offices.

NOTE: Publications may be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402, or from the Bureau's regional offices. (See inside front cover for addresses.) A 25-percent discount is given for bundle orders of 100 copies or more.