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EMPLOYER COSTS FOR EMPLOYEE COMPENSATION IN DECEMBER 2013

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The U.S. Department of Labor’s Bureau of Labor Statistics (BLS) publishes a broad-based national survey of Employer Costs for Employee Compensation (ECEC). As a percent of compensation, employer costs for defined benefit (DB) plans for state and local government workers are nearly nine times the costs for private industry non-union workers. The DB plan costs for private industry union workers are nearly six times the cost for private industry non-union workers. When employer contributions to defined contribution (DC) plans are added, there is still a significant gap in favor of the public sector and the union workers, but not to the same magnitude. Employer costs for DB and DC plans for state and local government workers and private industry union workers are two to three times the costs for private industry non-union workers.

Employer costs for benefits as a percent of compensation in December 2013 were 40.2 percent for private industry union workers, 28.5 percent for private industry non-union

workers, and 35.5 percent for state and local government workers. Employer costs for DB plans as a percent of compensation were 5.7 percent for private industry bargaining workers, 1.0 percent for private industry non-bargained workers, and 8.6 percent for state and local government workers. Employer costs for DC plans as a percent of compensation were 2.0 percent for private industry bargaining workers, 2.1 percent for private industry non-bargained workers, and 0.8 percent for state and local government workers.

The ECEC is a product of the National Compensation Survey (NCS). The NCS is based on an unbiased set of sample employers. The ECEC measures the average cost to employers for wages and salaries and benefits per employee hour worked. ECEC data on total compensation, wages and salaries, and benefits are produced annually for 15 metropolitan areas. The survey months are March, June, September, and December. The December tables are available by mid-March.

The ECEC press release is available at <http://www.bls.gov/news.release/pdf/ecec.pdf>. The costs for state and local government workers are found in Table A and the costs for union and non-union workers are in Table 5. Supplemental tables with occupational, establishment size and bargaining status series for detailed industries are available on the BLS website at <http://www.bls.gov/ncs/ect/sp/ecsuptc29.pdf>. ■

Benefit Costs as a Percentage of Compensation in December 2013

Benefit	Private Industry Union Workers	Private Industry Non-Union Workers	State and Local Government Workers
Paid Leave	7.1%	6.9%	7.3%
Supplemental Pay	3.2%	2.8%	0.8%
Health Benefits	13.0%	7.0%	11.6%
Life and Disability	0.9%	0.5%	0.4%
Defined Benefit	5.7%	1.0%	8.6%
Defined Contribution	2.0%	2.1%	0.8%
Legally Required	8.3%	8.2%	6.0%
Total Benefits	40.2%	28.5%	35.5%