

2015 Supporting Statement for the National Compensation Survey

Justification, Part A.

Overview

This request is for the approval of pay and benefit collection for the National Compensation Survey (NCS) 1220-0164. Under the NCS, the Bureau of Labor Statistics (BLS) conducts ongoing surveys of compensation and job characteristics. Data collected by the NCS is used to produce Employment Cost Trends, including the Employment Cost Index (ECI) and Employer Costs for Employee Compensation (ECEC), Employee Benefits Survey (EBS), and data used by the President's Pay Agent.

For the President's Pay Agent the BLS introduced in 2011 a new approach that uses data from two current BLS programs – the Occupational Employment Statistics (OES) survey and the ECI program. This approach uses OES data to provide wage data by occupation and by area, while ECI data are used to specify grade level effects. This approach is also being used to extend the estimation of pay gaps to areas that were not included in the prior Locality Pay Survey sample, and this data has been delivered to the Pay Agent.

The BLS in September 2012 started reverting to a national design in order to preserve the reliability of the ECI and the EBS. The NCS private industry sample is on a three-year rotational cycle, with one frozen sample year for the NCS private industry sample when a new NCS State and local government sample is rotated in 2015.

The NCS uses a factor evaluation method with four factors to evaluate the work level of jobs. Each factor has several levels reflecting increasing duties and responsibilities, and there are point values associated with each level. The four factors are:

- Knowledge – the amount of knowledge required for the job
- Job controls and complexity – the type of direction received and the nature of the job
- Contacts – the nature and purpose of contacts within a job but outside the supervisory chain
- Physical environment – risks involved and physical demands

The four-factor leveling method is the result of a joint effort between BLS and OPM undertaken at the request of the President's Pay Agent. It simplified and modified the NCS procedures for classifying work levels to help speed up job evaluation in an interview. Tests showed the use of four factors produces more consistent work level occupational matching and has fewer decision points than the previous methodology.

The NCS collects both wage and employee benefits for all sampled establishments. These data include the incidence, costs, and provisions of the benefits. For all of these establishments, the BLS updates the wage, salary, and benefit cost data quarterly. This updating allows for the publication of change in the cost of wages, benefits, and total compensation on a quarterly basis.

“Field economist” is the BLS title for those who collect data from respondents. To collect NCS data, field economists interview respondents who represent the companies, organizations, and government units within the sample. Field economists conduct these interviews by visiting the company or by phone, or both. Other communication media, such as faxes, mail, websites, and e-mail are used to assist the process, depending on the wishes of the respondents.

When asking questions on pay and benefits, field economists do not rely on a scripted interview. Instead, they ask probing questions to get the information. Field economists might ask questions in different ways to different respondents. Some respondents will be experts in the field of compensation, while other respondents merely maintain pay and benefit records. Because of the different levels of respondent knowledge, combined with the scope and complexity of NCS data collection, scripting an interview that covers most situations would be very difficult.

In the initial collection, the respondent does not complete the collection forms. The field economist asks for the needed information and uses the collection forms as a note-taking device. This information is then entered into the computer database of the NCS collection system after the completion of the interview with the respondent. Respondents normally give a copy of a recent establishment payroll run either electronically or printed and those payroll data are either electronically reformatted or hand entered into our collection system by the field economist. NCS policy is to collect the data in whichever form is easiest for the respondents to provide and then reformat those data for our use. This approach could cause some non-sampling error, but ongoing collection training and quality assurance programs are in place to lessen any impact on data collection.

When updating the data, the respondent may choose to send the data on forms that the BLS provides. The respondents may respond through e-mail, fax, mail, phone, or a NCS secure website. Many respondents will send copies of a recent payroll, benefits cost run, or billing statement for various benefits (mostly insurance) by e-mail, fax, or mail in place of using the forms. Respondents may wish to provide the information in a follow-up interview by phone each time they report data and for this option they can call in the information or wait to be called. In such cases, the field economists enter information on the appropriate forms or directly in the computer database.

The published compensation data include the following information:

- Employer cost of total compensation
- Employer cost of benefits
- Employee cost of selected benefits
- Percent of employees participating in benefit plans
- Provisions of benefit plans
- Percent change in total compensation costs
- Percent change in earnings
- Percent change in selected benefits

The types of benefit information collected include:

- Health, life, and disability insurance
- Retirement plans

- Leave information
- Legally required benefits (Social Security, Medicare, workers' compensation, and unemployment insurance)
- Overtime, shift, and bonus pay
- Other benefits, including child care, health saving accounts

Some benefits (called "Other benefits" in NCS) data are collected to track the emergence of new or changing benefits over time. NCS also asks about the incidence of certain other benefits. The BLS only asks whether sampled occupations receive these benefits and periodically drops those that show no growth, supplementing them with other potentially growing benefits.

The compensation data currently captured includes information on details of benefit services received by employees and their families as well as restrictions and limits on the receipts of these services.

As compensation practices change, so too must the NCS. This is accomplished through constant environmental scanning, which, after testing, can result in survey changes when new benefits, provisions, or practices are identified. In Fiscal Year 2014, the NCS program conducted a test to determine the availability of information on the impact of selected provisions of the Affordable Care Act (ACA) on employer-sponsored health insurance plans. The test covered such concepts as grandfathered plans, metal levels, variable premiums, actuarial values, Small Business Health Option Plans (SHOP), and tax credits. Based on the results of that test and discussions with BLS Advisory Committees, data users, and health experts, NCS has begun collection of one additional variable, the grandfathered status of plans, in Fiscal Year 2015. Analysis of the test survey results and other inputs is continuing and NCS may add collection of additional variables in the future. Additional testing may be required before final decisions can be made.

Examples of current provision details in NCS include the following:

- Managed care in health insurance
- Cost sharing arrangements such as typical deductibles and copayments
- Other health plan information such as coverage for hospitalization, alternatives to hospitalization, mental health, substance abuse treatment, surgical care, and physicians visits
- Dental, vision, and prescription drug benefits
- Levels of coverage for life insurance and disability plans
- Pension plan eligibility, benefit formulas, survivor options, and disability provisions
- Defined contribution retirement plans: employee and employer contribution rates, investment choices, tax status of employee contributions, and disbursement options
- Number of vacation days, sick days, and holidays

The NCS has developed a new Web pages site (Web-Lite) that allows NCS respondents, using Secure Sockets Layer (SSL) encryption and the establishment's schedule number, to upload data file(s) to a secure BLS server and forward those files to the assigned field economist. Respondent access to these new web pages is through the existing NCS Internet Data Collection Facility (IDCF) system.

1. Necessity of the Information Collection

Data on various forms of compensation, including employers' cost for wages and benefits, benefits incidence, and detailed characteristics of benefit plan provisions, are needed to meet the requirements of a number of Federal programs. Leveling data produced from the survey are used and will be used in the determination of locality pay and general increases for most Federal workers. Total compensation data are needed for the calculation of the ECI, a principal Federal economic indicator used in determining monetary policy. The ECI ensures the accuracy of the statistics on employers' compensation costs that we rely on for economic policy making and for successful business planning.

These ECI estimates are also widely used by the private sector to determine the costs of pay and benefits, for research in the field of labor economics, and in private contracts for wage escalation. The ECI provides quarterly and annual change in total compensation costs, including changes in wage and salary costs and changes in the cost of employer provided benefits.

The Centers for Medicare and Medicaid Services (formerly the Health Care Financing Administration) uses the ECI to determine allowable increases in Medicare reimbursements for hospital and physician charges. The Wage and Hours Division of DOL, uses the ECI to set benefit costs required by the Service Contract Act. Other uses of ECI data include: macro-economic forecasting; collective bargaining and other pay determinations; estimating compensation in the National Income and Product Accounts done by the Bureau of Economic Analysis; contract cost escalation; and studies on the structure of employee compensation.

The Patient Protection and Affordable Care Act of 2010 (PPACA) states that “the Secretary [of Health and Human Services] shall define the essential health benefits” for certain health plans under the law. The Act further required the Secretary of Labor to “conduct a survey of employer-sponsored coverage to determine the benefits typically covered by employers,” and to report the results of the survey to the Secretary of Health and Human Services. The Department of Labor (DOL) first looked to its ongoing survey of benefits, NCS. Much of that needed data was already available from NCS on detailed provisions of employment-based health benefits and from previously-published survey results, which cover such services as hospital room and board, physician office visits, mental health and substance abuse treatment, dental care, and vision care. Cost-sharing information such as deductibles and copayments comes from the previously-published survey results as well.

For additional information on “essential health benefits” not currently collected by the NCS, data were obtained from existing BLS files of employer health plans. These existing files identify available health plans and other copies of written documents describing plan benefits. The NCS program extracted the detailed plan provisions presented in the reports from approximately 3,200 health plan documents. Sufficient data were available to publish data for twelve additional services: emergency room visits, ambulance services, diabetes care management, kidney dialysis, physical therapy, durable medical equipment, prosthetics, maternity care, infertility treatment, sterilization, gynecological exams and services, and organ and tissue transplantation.

The collection of employee compensation data is authorized and mandated by several laws and regulations. Links to the appropriate sections of these laws, regulations, or documents are attached. These include:

a. The Bureau of Labor Statistics is authorized to make "... continuing studies of ... labor costs in manufacturing, mining, transportation, distribution, and other industries" under Title 29 of the U.S. Code (29 USC 2b).

<http://law.onecle.com/uscode/29/2b.html>

b. The Federal Employees Pay Comparability Act of 1990 directs the President's Pay Agent to prepare "... a report that -- (A) compares rates of pay under the General Schedule with the rates of pay generally paid to non-Federal workers for the same levels of work within each pay locality, as determined on the basis of appropriate surveys that shall be conducted by the Bureau of Labor Statistics." The Act further specifies that in addition to locality differentials being implemented, the twelve-month change in the ECI for earnings and salaries for private industry workers minus 0.5 percentage points be used to adjust the General Schedule. (5 USC 5304)

<http://www.oscn.net/applications/OCISWeb/DeliverDocument.asp?CiteID=185083>

c. The Ethics Reform Act of 1989 specifies that data from the ECI be used to adjust the pay of members of the House of Representatives and the Senate, Federal judges, and senior Government officials. (5 USC 5318)

<http://www.oscn.net/applications/oscn/deliverdocument.asp?lookup=Next&listorder=439&dbCode=FDSTUS05&year=>

d. Compensation of Members of Congress shall be adjusted by an amount, rounded to the nearest multiple of \$100 (or if midway between multiples of \$100, to the next higher multiple of \$100), equal to the percentage of such annual rate which corresponds to the most recent percentage change in the ECI (relative to the date described in the next sentence), as determined under section 704(a) (1) of the Ethics Reform Act of 1989. (2 USC 31)

http://uscode.house.gov/download/pls/Title_02.txt

e. The ECI is designated a Principal Federal Economic Indicator under OMB Statistical Policy Directive No. 3. 2015 Release dates attached:

http://www.bls.gov/schedule/news_release/eci.htm>

2. Uses of Information

A prominent use of the current NCS data is to determine changes in Federal workers' pay, as mandated in the FEPCA of 1990.

Other important data users include:

- Private firms that use the data in the administration and evaluation of the compensation packages they offer their workers
- Researchers in academia and consulting

The BLS continually examines compensation literature and maintains personal contact with relevant associations and researchers. Currently, no other information is available on a probability basis that yields the scope of compensation data found in the NCS surveys.

One of the chief products of the NCS is the ECI. The data produced by the ECI are the only source for measures of change in compensation in the broad civilian, non-Federal, and non-farm economy. Other surveys of change in compensation produce data that are valuable for specific purposes, but are limited in scope and coverage.

Another NCS product is the estimation of benefit incidence and detailed provisions. The NCS benefits are the only source of comprehensive data on employer-provided benefits that are based on a statistical sample and cover the broader economy. In 2014, the NCS produced and published two benefits products, one for incidence and key provisions (Employee Benefits in the United States, March 2014) and a second for detailed provisions for selected benefits in private industry establishments (Health and Retirement Plan Provisions in Private Industry in the United States, 2013.)

There is continuing interest in using NCS data files for special research. Many academic, institutional, and government researchers are currently using these data, and other such efforts are in the planning stages. Recent requests for special research and tabulations have come from the Treasury Department, Council of Economic Advisors, State of California, United States Postal Service, Rutgers, TIAA-CREF, Pension Benefits Guaranty Corporation, City of New York and the Center for Medicare and Medicaid Services. Examples of these requests include median wages for detailed occupations by Census divisions, benefit costs excluding health care, compensation costs for selected benefits by detailed industry, incidence of retirement benefits for detailed worker and establishment characteristics, sick leave provisions for Pacific Census Division, and compensation costs by wage percentiles from 1990-2014.

Some proposed legislation on benefits uses NCS data for cost and benefit analysis. A recent example is the various paid sick leave legislation initiatives that have been introduced in various State legislatures and city councils. California recently passed a law mandating sick leave for most workers.

3. Uses of Improved Information Technology

BLS field economists obtain data from respondents through personal interview, telephone, e-mail, fax, and web-site contacts. After the interview, BLS field economists enter collected data into a database utilizing a customized computer application. The application is designed for use on both laptop and desktop personal computers, and runs in the Microsoft Windows operating system. Field economists are able to enter information for an establishment and perform a variety of data edits to check the validity of the entries. This data capture system currently has approximately 650 total edits.

The NCS program is transitioning over to a new web based data capture system called the Compensation Information Entry and Review Application (CIERA.) The CIERA system is web

based and will use an Oracle database. The CIERA system will be fully operational in the spring of 2018.

The Quarterly Census of Employment and Wages (QCEW) is a relational database of business establishments linked longitudinally and based on the micro data submitted quarterly by States from Unemployment Insurance (UI) tax files. The QCEW serves as a sampling frame for the NCS and other establishment-based surveys. BLS data elements on these QCEW files include information on monthly employment, business name and addresses, industry classification, geo codes, and other administrative data. Every business establishment contains a unique identifier that allows for tracking of individual establishments at the micro level across quarters for the United States. The NCS uploads these data into its computer system before the field economist visits the establishment, thereby reducing the burden on respondents to provide this basic information.

The BLS allows responding establishments to provide a computer file of data, rather than recording data on paper. NCS is currently using a program that allows for centralized control of data received over the Internet that helps facilitate data received electronically. These data can then be directly imported to the NCS system, or the data can be reformatted by the system if needed. While field economists may still visit the establishment during the initiation (first) collection, respondents now can send initiation and updated data via the internet, mail, a secure server, or fax.

The NCS has updated its Web-based system (Web-Lite) that allows NCS respondents, using Secure Sockets Layer (SSL) encryption and the establishment's schedule number, to upload data files to a secure BLS server and forward those files to the assigned field economist. The new more interactive Web pages allow respondents to further refine and break out the detailed data they send NCS using this Web application.

The NCS program uses the Standard Occupational Classification (SOC) 2010. The 2010 SOC system contains 840 detailed occupations, aggregated into 461 broad occupations. In turn, the SOC combines these 461 broad occupations into 97 minor groups and 23 major groups.

4. Effort to Identify Duplication

The NCS data collection supports a number of outputs, in 1999 three compensation surveys were combined into the current NCS. Each establishment is now contacted only one time (in each sample cycle) rather than possibly being contacted for more than one survey in a quarter. Therefore, the burden on respondents has been reduced significantly, especially for those large establishments that are selected in multiple samples.

In developing the NCS, the BLS has undertaken efforts to coordinate the NCS with other surveys and other Federal data needs. For example, within the BLS, data collection is coordinated between the NCS and the Bureau's OES program. For large establishments that are selected in both survey's samples, the NCS program collects the data and it is then used for both surveys.

NCS staff periodically contacts the Agency for Healthcare Research and Quality (Medical Expenditure Panel Survey [MEPS] Insurance Component survey staff) to avoid duplications of benefits collection.

Contact with the MEPS staff also facilitates planning for how each survey plans or is dealing with the impacts of The Patient Protection and Affordable Care Act (PPACA) on both surveys' collection and publication efforts.

5. Minimizing the Burden to Small Establishments

The NCS program is designed to provide compensation data that are representative of the national economy. Therefore, information is collected from establishments of all sizes. Any establishment with at least one employee is a potential respondent (for NCS a small establishment has from 1 to 99 employees). Under the redesigned NCS, most private industry establishments only will be in the sample for a maximum of 4 years. The State and local government establishments sample is reselected every 10 years.

The aggregate collection burden on small establishments is significantly less than medium and large establishment burden. For all establishments, including small establishments, an optimum allocation design is obtained by sorting establishments within the industry by employment size and sampling the industry with probability proportionate to the amount of employment contained in those industries. Therefore, larger firms have a greater chance of being selected. The BLS also collects data on fewer occupations in small establishments. Furthermore, small establishments will have a smaller benefit collection burden because they tend to offer fewer benefits than larger establishments.¹

6. Consequences of Not Collecting the Data or Less Frequent Data Collection

The consequences of not collecting the NCS would cause the loss of data series that:

- Are needed to administer Federal workers' pay and other programs
- Are valuable tools to private sector compensation administrators
- Provide data critical to analysis of the US economy

If collection were done less frequently, the following negative ramifications could occur: Compensation change data, computed on a semiannual or annual basis instead of quarterly, would make it more difficult to identify the causes of any change in the price of labor in a timely manner.

¹ For example, according to the most recent NCS Employee Benefits in the United States -- March 2014. 84 percent of private industry establishments of over 100 or more employees have health care benefits, as compared to 57 percent of establishments with fewer than one hundred employees. Just as strikingly, 82 percent of private industry establishments with one hundred or more employees offered retirement benefits, as compared to 50 percent of those in establishments with fewer than one hundred employees.

<http://www.bls.gov/news.release/pdf/ebs2.pdf>>

The change would impair the ability of companies and government entities that use the ECI as a cost escalator for labor rates.

7. Special Circumstances

There are no special circumstances for this collection.

8. Federal Register Notice/Outside Consultation

One comment was received as a result of the Federal Register Notice published in 79 FR 65706 on November 5, 2014. The Chief Statistician at the Bureau of Economic Analysis (BEA) sent a letter of support. The letter listed BEA's needs and uses for the ECI, the ECEC and EBS data.

Outside Consultation

The BLS solicits input from data users, including survey respondents, on the types of compensation statistics they would like to see produced. To assist in these efforts, a marketing outreach program was developed with the goal of informing users about the NCS and gathering information on the types of statistics users find most valuable. The BLS also obtains advice on its programs from the Data Users Advisory Committee (DUAC) and the Technical Advisory Committee (TAC) with members from the labor, business, government, research and academic communities and the Federal Economic Statistics Advisory Committee. The latter as (well as TAC) provides members of the academic community the opportunity to have input on statistical issues. This Committee is a joint effort of the Bureau of Economic Analysis, the Census Bureau, and the BLS.

In 2014 NCS developed and sponsored an Affordable Care Act (ACA) Conference with invited attendees from government, consulting firms, universities, and think tanks.

In addition, the BLS attends, speaks, and has staff exhibits to describe and publicize the NCS program and products at the annual WorldatWork conference, the Society for Human Resources Management, the American Society for Healthcare Human Resources Administration Conferences, and the annual Joint Statistical Meetings sponsored by several professional statistical associations including the American Statistical Association. Getting public feedback from the human resource community helps in survey design and publications.

Finally, an important part of the feedback the BLS receives comes from the survey respondents and their reactions to the type of data requested, the accessibility of the data, and the value of the results. Field economists relay feedback information from respondents to regional managers, who in turn consult with national office managers to assess respondents' suggestions or concerns and act appropriately.

9. Payments to Respondents

No payments or gifts will be provided to any respondents.

10. BLS Confidentiality Policy

The Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) safeguards the confidentiality of individually identifiable information acquired under a pledge of confidentiality for exclusively statistical purposes by controlling access to, and uses made of, such information. CIPSEA includes fines and penalties for any knowing and willful disclosure of individually identifiable information by an officer, employee, or agent of the BLS.

Based on this law, the BLS provides all non-government respondents with the following confidentiality pledge/informed consent statement:

The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.

This statement appears on the private industry collection forms and is on our web collection site.

For the NCS program, the pledge of confidentiality is not extended to State and local government entities, unless specifically requested, since the data they provide are a matter of public record.

BLS policy on the confidential nature of respondent identifiable information (RII) states that “RII acquired or maintained by the BLS for exclusively statistical purposes and under a pledge of confidentiality shall be treated in a manner that ensures the information will be used only for statistical purposes and will be accessible only to authorized individuals with a need-to-know.”

In some instances, respondents are unable to provide certain data elements needed to complete the collection requirements. The data, however, may be available from a secondary source such as an insurer, union, or accounting firm. When this occurs, it becomes necessary for the BLS to go to a secondary source for the information. In these cases, the BLS requests verbal consent from the establishment to solicit the information from the secondary source (examples: union benefit fund or commercial payroll processing firm.)

11. Sensitive Questions

Aside from the sensitivity attached to payroll information, no other sensitive questions are asked during the survey.

12. Estimated Reporting Burden

Estimates of respondent burden are provided in this section for all activities associated with the NCS program. For the purposes of the discussion of respondent burden and BLS cost, collection is divided into two categories: initiations and updates. In an initiation, the respondent is contacted for the first time. The BLS field economist samples the jobs for study, collects the pay

and benefit information, and sets up the updating process. In an update, information is collected on the same jobs that were sampled in initiation. The field economist records any changes to employment characteristics or compensation since the initiation, or since the last update. Thus, updates generally take far less time than initiations.

Broadly stated, both private industry and State/local government establishments in the survey fall into one or more of the three categories below. Each of these categories, with the percentage of establishments expected in each category over the three years, is listed below.

- 1) Establishments where pay and benefits data are collected and updated quarterly (some of these benefits may only change annually). The BLS collects data on pay and benefit costs every quarter from all establishments.
- 2) Feasibility testing to determine the best ways to collect compensation. These represent about 10 percent of the estimated establishments in the NCS. Tests are conducted to improve survey procedures and processes, produce data that are more accurate, investigate compensation practices, and to help lower respondent burden. Over the next three years examples of some specific tests that will be conducted are to improve electronic data collection processes, to explore the feasibility of collecting additional details about the implementation and impact of the Affordable Care Act.
- 3) Follow-up establishment interviews for quality assurance activities on the collected data. The NCS has a formal review policy where reviewers select approximately 5 percent of all establishments for re-contact.

This relatively simple picture becomes more complex when taking into account the various types of data collected. The following list breaks the activities down into the types of collection.

Activity (1a) - Initiation of establishments in the NCS sample.

Activity (1b) - Updating of establishments in the NCS sample. Data from these establishments are updated quarterly.

Activity (2) - Tests of compensation collection.

Activity (3a) - Re-interview for quality assurance activities of initiations.

Activity (3b) - Re-interview for quality assurance activities of updates.

Estimates of net respondent burden associated with these collection activities in FY 2015, FY 2016 and FY 2017 are broken out by affected publics (private sector, State and local governments) and provided on the following pages.

Table 1a. Anticipated private sector sample burden by activity type for FY 2015 (annual figures)

Collection Activity	Number of	Responses	Total	Minutes	Total
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	Respondents Per Activity (Net)	Per Respondent	Annual Responses by Activity	Per Response	Hours
Activity 1a—Initiation of NCS data	2475	1	2475	254	10478
Activity 1b—Updates of NCS data	11451	3.80	43514	40	29009
Activity 2—Feasibility survey testing	600	1	600	60	600
Activity 3a—Re-interview for quality assurance activities of initiations	83	1	83	15	21
Activity 3b—Re-interview for quality assurance activities of updates	573	3.80	2177	15	544
FY 2015 Totals annually	15182		48849		40652

Table 1b. Anticipated private sector sample burden by activity type for FY 2016 (annual figures)

Collection Activity	Number of Respondents Per Activity (Net)	Responses Per Respondent	Total Annual Responses by Activity	Minutes Per Response	Total Hours
Activity 1a—Initiation of NCS data	925	1	925	254	3916
Activity 1b—Updates of NCS data	9754	3.91	38138	40	25425
Activity 2—Feasibility survey testing	600	1	600	60	600
Activity 3a—Re-interview for quality assurance activities of initiations	46	1	46	15	12
Activity 3b—Re-interview for quality assurance activities of updates	488	3.91	1908	15	477
FY 2016 Totals annually	11813		41617		30430

Table 1c. Anticipated private sector sample burden by activity type for FY 2017 (annual figures)

Collection Activity	Number of	Responses	Total	Minutes	Total
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	Respondents Per Activity (Net)	Per Respondent	Annual Responses by Activity	Per Response	Hours
Activity 1a—Initiation of NCS data	3341	1	3341	254	14144
Activity 1b—Updates of NCS data	10388	4	41552	40	27701
Activity 2—Feasibility survey testing	600	1	600	60	600
Activity 3a—Re-interview for quality assurance activities of initiations	167	1	167	15	42
Activity 3b—Re-interview for quality assurance activities of updates	519	4	2076	15	519
FY 2017 Totals annually	15015		47736		43006

Table 2a. Anticipated State and local government sample burden by activity type for FY 2015 (annual figures)

Collection Activity	Number of Respondents Per Activity (Net)	Responses Per Respondent	Total Annual Responses by Activity	Minutes Per Response	Total Hours
Activity 1a—Initiation of NCS data	399	1	399	254	1689
Activity 1b—Updates of NCS data	1596	4	6384	40	4256
Activity 2—Feasibility survey testing	100	1	100	60	100
Activity 3a—Re-interview for quality assurance activities of initiations	20	1	20	15	5
Activity 3b—Re-interview for quality assurance activities of updates	80	4	320	15	80
FY 2015 Totals annually	2195		7223		6130

Table 2b. Anticipated State and local government sample burden by activity type for FY 2016 (annual figures) which carries forward from previous sample

Collection Activity	Number of Respondents Per Activity (Net)	Responses Per Respondent	Total Annual Responses by Activity	Minutes Per Response	Total Hours
Activity 1a—Initiation of NCS data	1197	1	1197	254	5067
Activity 1b—Updates of NCS data	1892	4	7568	40	5045
Activity 2—Feasibility survey testing	100	1	100	60	100
Activity 3a—Re-interview for quality assurance activities of initiations	60	1	60	15	15
Activity 3b—Re-interview for quality assurance activities of updates	95	4	380	15	95
FY 2016 Totals annually	3344		9305		10322

Table 2c. Anticipated State and local government sample burden by activity type for FY 2017 (annual figures) which carries forward from previous sample

Collection Activity	Number of Respondents Per Activity (Net)	Responses Per Respondent	Total Annual Responses by Activity	Minutes Per Response	Total Hours
Activity 1a—Initiation of NCS data					
Activity 1b—Updates of NCS data	1596	4	6384	40	4256
Activity 2—Feasibility survey testing	60	1	60	60	60
Activity 3a—Re-interview for quality assurance activities of initiations					
Activity 3b—Re-interview for quality assurance activities of updates	80	4	320	15	80
FY 2017 Totals annually	1736		6764		4396

The table below summarizes the data, including figures on the actual number of respondents to be contacted each year.

Table 3: Anticipated private sector average responses and burden by Fiscal Year

Fiscal Year	Respondents	Average responses per year	Total # of Responses	Average minutes per response	Total hours
FY 2015	15182	3.2176	48849	49.9318	40652
FY 2016	11813	3.5230	41617	43.8715	30430
FY 2017	15015	3.1792	47736	54.0548	43006
Overall Average	14003	3.2898	46067	49.5309	38029

Private sector averages include both initiation, update of establishment data, and quality assurance contacts.

Table 4: Anticipated State and local government average responses and burden by Fiscal Year

Fiscal Year	Respondents	Average responses per year	Total # of Responses	Average minutes per response	Total hours
FY 2015	2195	3.2907	7223	50.9207	6130
FY 2016	3344	2.7826	9305	66.5578	10322
FY 2017	1736	3.8963	6764	38.9947	4396
Overall Average	2425	3.2016	7764	53.7017	6949

State and local government averages include both initiation, update of establishment data, and quality assurance contacts.

The NCS gets few State and local government refusals to cooperate and that sample normally runs at a 95 percent response rate, reflecting change over time.

For all ECI establishments (both private industry and State and local governments) a response rate of 78 percent was reported for September 2014, using year to date averages. All estimates are based on studies of past experience.

For the ECI survey collected quarterly, in September 2014 91 percent of viable establishments that provided initial data continued to provide data, using year to date averages.

The BLS estimates that NCS feasibility special studies will have a response rate of 85 percent. Finally, the BLS estimates that re-interview for quality assurance activities will have a response rate approaching 100 percent of those who participate in each survey.

The BLS estimates that for NCS schedules, an anticipated 4.23 hours of respondent time will be required for initial collection: 1.23 hours for the completion of the general information and pay

component, and 3 hours for the completion of benefits. The BLS estimates that updates for the NCS schedules will take 40 minutes for establishments where both pay and benefits are collected.

The BLS estimates that follow-up re-interview for quality assurance activities will take 15 minutes. Because of the nature of a quality assurance re-interview, the time required is not dependent on the time required for initial collection.

Estimates of net respondent burden associated by collection activities in FY 2015, FY 2016, and FY 2017 follow.

Table 5. Anticipated burden by activity type in FY 2015 – October 2014 to September 2015

Collection Activity	Number of Respondents Per Activity (Net)	Responses Per Respondent	Total Annual Responses by Activity	Minutes Per Response	Total Hours
Activity 1a—Initiation of NCS data	2874	1	2874	254	12167
Activity 1b—Updates of NCS data	13047	3.82	49898	40	33265
Activity 2—Feasibility survey testing	700	1	700	60	700
Activity 3a— Re-interview for quality assurance activities of initiations	103	1	103	15	26
Activity 3b— Re-interview for quality assurance activities of updates	653	3.82	2497	15	624
FY 2015 Total	17377		56072		46782

*Re-interview respondents are not included in the total number as they are included in the previous activities.

Table 6. Anticipated burden by activity type in FY 2016 – October 2015 to September 2016

Collection Activity	Number of Respondents Per Activity (Net)	Responses Per Respondent	Total Annual Responses by Activity	Minutes Per Response	Total Hours
Activity 1a—Initiation of NCS data	2122	1	2122	254	8983
Activity 1b—Updates of NCS data	11646	3.92	45706	40	30470
Activity 2—Feasibility survey testing	700	1	700	60	700
Activity 3a— Re-interview for quality assurance activities of initiations	106	1	106	15	27
Activity 3b— Re-interview for quality assurance activities of updates	583	3.92	2288	15	572
FY 2016 Total	15157		50922		40752

*Re-interview respondents are not included in the total number as they are included in the previous activities.

Table 7. Anticipated burden by activity type in FY 2017 – October 2016 to September 2017

Collection Activity	Number of Respondents Per Activity (Net)	Responses Per Respondent	Total Annual Responses by Activity	Minutes Per Response	Total Hours
Activity 1a—Initiation of NCS data	3341	1	3341	254	14144
Activity 1b—Updates of NCS data	11984	4	47936	40	31957
Activity 2—Feasibility survey testing	660	1	660	60	660
Activity 3a— Re-interview for quality assurance activities of initiations	167	1	167	15	42
Activity 3b— Re-interview for quality assurance activities of updates	599	4	2396	15	599
FY 2017 Total	16751		54500		47402

*Re-interview respondents are not included in the total number as they are included in the previous activities.

The table below summarizes the data, including figures on the actual number of respondents to be contacted each year.

Table 8: Anticipated average responses and burden by Fiscal Year

Fiscal Year	Respondents	Average responses per year	Total # of Responses	Average minutes	Total hours
FY 2015	17377	3.2268	56072	50.0592	46782
FY 2016	15157	3.3596	50922	48.0170	40752
FY 2017	16751	3.2535	54500	52.1857	47402
Overall Average	16428	3.2768	53831	50.1336	44979

Overview of NCS collection forms/screens

The NCS has 10 different forms/screens for data collection as different activities during data collection call for unique forms. Both private industry and government versions exist for 4 of the 10 form/screen types. Copies of these forms are included in this clearance package.

These forms are primarily used as note-taking devices by the field economists (BLS staff). The field economists ask probing questions that will vary depending on the knowledge level of the respondent. The forms provide the field economist with a list of the required information needed for the survey, not a list of questions. For quality assurance re-interviews, the field economists will ask for specific items of data in a prescribed manner from data stored in the electronic database. NCS considers the establishment data in the electronic database the official copy of the establishment data for survey purposes.

The following table gives the burden level of each form. Since one respondent will often be asked information for multiple forms, the number of total respondents and responses is higher than the figures given in Tables 4-6. In those tables, a respondent who provided information for multiple forms would be counted as one respondent and one response. Table 10 counts such a situation as multiple respondents and multiple responses and relates forms to initiation and update data collection. Data on Table 10 are annualized averages for FY 2015, FY 2016, and FY 2017.

Table 9. Functions and uses of NCS forms

Form	Function	Activities used	Time
Establishment collection, work level and schedule form (NCS Form 15-1G)	Government General Establishment Information, work level and schedule; records check of these data	Initiation general information (1a); Quality assurance checks initiation (3a)	Time 54 minutes for activity 1a. Time 15 minutes for activity 3a
Establishment collection, work level and schedule form (NCS Form 15-1P)	Private Industry General Establishment Information, work level and schedule; records check of these data	Initiation general information (1a); Quality assurance checks initiation (3a)	Time 54 minutes for activity 1a. Time 15 minutes for activity 3a
Earnings form (NCS Form 15-2G)	Government Earnings data; records check of earnings data	Wage initiation (1a); Quality assurance checks wage initiation (3a)	Time 20 minutes for activity 1a. Time 5 minutes for activity 3a
Earnings form (NCS Form 15-2P)	Private Industry Earnings data; records check of earnings data	Wage initiation (1a); Quality assurance checks wage initiation (3a)	Time 20 minutes for activity 1a. Time 5 minutes for activity 3a
Wage Shuttle form (the computer generated earnings update form)	Updating earnings data; records check of earnings data	Wage update (1b); Quality assurance checks wage update (3b)	Time 20 minutes for activity 1b., Time 5 minutes for activity 3b
Benefits Collection Form (NCS 15-3G)	Government Collection of benefits for new government units; records check of this collection	Benefit initiation (1a); Quality assurance checks benefit initiation (3a) initiation Quality assurance checks benefit initiation	Time 180 minutes for activity 1a. Time 5 minutes for activity 3a.

Benefits Collection Form (NCS 15-3P)	Private Industry Collection of benefits for new government units; records check of this collection	Benefit initiation (1a); (3a) initiation; Quality assurance checks of benefit initiation (3a)	Time 180 minutes for activity 1a. Time 5 minutes for activity 3a. Time 10 minutes for activity 1a.
Summary of Benefits (Benefit update form SO-1003)	Update of benefits data for all establishments; records check of this collection	Update (1b); Quality assurance checks benefit update (3b)	Time 20 minutes for activity 1b. 5 minutes for activity 3b
IDCF Government	Entry screens for SSL Website	Establishment identification and up load of update data (1b) for firms that use this option	Time 4 minutes for activity 1b.
IDCF Private	Entry screens for SSL Website	Establishment identification and up load of update data (1b) for firms that use this option	Time 4 minutes for activity 1b.

Table 10: Anticipated annual respondent collection burden by form average of FY 2015-2017

Form	Total Respondents Per Form	Frequency	Total Annual Responses	Average Minutes for the Predominant Form Use	Total Hours
Establishment collection form (NCS Form 15-1G)	532	1	532	54	479
Establishment collection form (NCS Form 15-1P)	2247	1	2247	54	2022
Earnings form (NCS Form 15-2G)	532	1	532	20	177
Earnings form (NCS Form 15-2P)	2247	1	2247	20	749
Wage Shuttle form computer generated earnings update form #	12226	4	48904	20	16301
Benefits Collection Form (NCS 15-3G)	532	1	532	180	1596
Benefits Collection Form (NCS 15-3P)	2247	1	2247	180	6741
Summary of Benefits (Benefit update form SO-1003) is computer generated #	12226	4	48904	20	16301
Collection not tied to a specific form (testing, Quality Assurance/Quality Measurement, etc.)	1423		3205		613
TOTALS	34212		109350		44979

Includes IDCF form time (Respondents have two reporting options using Web-based screens with SSL encryption on a secure web-site.)

Individual respondent cost per year (for all responses) is expected to be an average of \$35.09 for FY 2015, \$33.66 for 2016 and \$36.59 for 2017. This amount is based on an average cost of \$42.06 per hour per respondent. The estimate, based on past experience, is that 70 percent of reporting time comes from professional and related workers, and the remaining 30 percent comes from office and administrative support workers. Professional and related specialty earned an average of \$49.51 per hour in total compensation; office and administrative support workers earned an average of \$24.66 per hour in total compensation. (Hourly costs of pay and benefits measured by the Employer Cost for Employee Compensation data series for Civilian workers in June, 2014.) <http://www.bls.gov/news.release/pdf/ecec.pdf> The figure of \$42.06 is a weighted hourly average.

Estimated annualized cost to all respondents for all activities is of \$1,967,651 for FY 2015, \$1,714,071 for 2016 and \$1,993,728 for 2017. These totals are based on an average hourly cost of \$42.06 to the respondent.

13. Cost Burden to Respondents

There are no capital and start-up costs or operation and maintenance and purchase of service costs resulting from the collection of this information.

14. Estimated Cost of the Survey

The estimated cost of the survey is \$53 million for FY 2015. NCS collection cost is \$25 million and non-collection cost is \$28 million.

15. Program Changes or Adjustments

The NCS private industry sample is now on a 3 year collection cycle, with 1 year frozen sample to initiate a new State and local government sample. The State and local government sample is planned to be resampled in 10 years.

The burden increase of 8,049 hours is due to the NCS transition to a 3 year collection cycle. Under this cycle design for NCS, most private industry establishments only will be in the sample for 3 years compared to previously being in the survey 5 years. The first year of the private industry cycle also has greater initiation burden hours as the aircraft manufacturing and large firms with a sample weight of 1 enter the survey during that year.

16. Plans for Tabulation, Statistical Use, and Publication

Nationwide and locality based quarterly change in compensation data is released shortly after the close of collection for each quarter. ECI and Employer Costs for Employee Compensation (ECEC) are published on a national and a locality basis. Finally, detailed information will be available annually on the incidence of benefits and benefit provisions.

Employee benefits news releases and publications have a large number of tabulations, including tabulations linking wage levels to benefit incidence rates, counts of establishments offering major benefits to at least one employee, Census division breakouts, and new benefit items.

All published estimates from the NCS are available on the BLS internet site, www.bls.gov. Included on this site are several query tools that allow users to indicate the type of data desired. Customized tabulations are returned.

Data will be adjusted for non-responses (Establishments may either refuse to provide any data or may refuse to provide data for certain occupations or benefits items). The adjustment consists of revising the weights used to aggregate the individual establishments and occupations. In addition, the BLS imputes missing items on pay, benefits costs, participation rates, and provisions.

The BLS also adjusts the weights in a process known as benchmarking. This process adjusts weights to reflect changes in employment that occur between the compilation of the universe from which the sample is drawn and the reference date of publication.

A detailed description of the statistical procedures used in compiling the data is presented in Part B.

17. Approval to not Display the OMB Expiration Date

Approval to not display the expiration date for OMB approval is not being sought.

18. Exceptions to the Certification Statement

There are no exceptions to the certification statement.