

ICR ATTACHMENT J: EPA ICR Number 0277.17**Labor Wage Formulas**

For this ICR, the Agency revised the estimated wages, benefits, and overhead for all labor categories for affected industry and EPA employees based on the most recent publicly available data from the US Bureau of Labor Statistics. The methodology for calculating the wage rates is the same for both the emergency exemption and SLN collections, and are based on 2014 wage data. The calculation of the wage rates uses base wage data for each sector and labor type for an *Unloaded wage rate* (hourly wage rate) and calculates the *Loaded wage rate* (unloaded wage rate + benefits) and the *Fully loaded wage rate* (loaded wage rate + overhead) based on that data. Fully loaded wage rates are used to calculate respondent costs.

Unloaded Wage Rate: Wages are estimated for labor types (management, technical, and clerical) within applicable sectors. The Agency uses average wage data for the relevant sectors available in the National Industry-Specific Occupational Employment and Wage Estimates from the Bureau of Labor Statistics (BLS) (see http://www.bls.gov/oes/current/oes_nat.htm).

Sectors: The specific North American Industry Classification System (NAICS) code and website for each sector is included in that sector's wage rate table. Within each sector, the wage data are provided by Standard Occupational Classification (SOC). The SOC system is used by Federal statistical agencies to classify workers into occupational categories for the purpose of collecting, calculating, or disseminating data (see http://www.bls.gov/oes/current/oes_stru.htm).

Loaded Wage Rate: Unless stated otherwise, all benefits represent 44% of unloaded wage rates, based on average rate of benefits for all civilian non-farm workers (see <http://www.bls.gov/news.release/ecec.t01.htm>). If any sectors are listed for which 44% is not applicable; the applicable percentage will be stated.

Fully Loaded Wage Rate: The loaded wage rate is multiplied by 50% (EPA guidelines suggest 20-70%) to get overhead costs.

Registrant Labor Costs

| Labor Category: | Formula | Managerial | Technical | Clerical |
|-----------------------------------|------------------------------|------------|-----------|----------|
| Unloaded Hourly Rate ¹ | = W | \$56.61 | \$33.43 | \$19.00 |
| Benefits Percentage ² | Lb = B/W | 44% | 44% | 44% |
| Benefits per hour | B = W*Lb | \$24.64 | \$14.58 | \$8.28 |
| Loaded Hourly Rate | Wb = W+B = W(1+Lb) | \$81.15 | \$48.01 | \$27.28 |
| Overhead Percentage ³ | Lo = OH/Wb | 50% | 50% | 50% |
| Overhead per hour | OH = Wb*Lo | \$40.57 | \$24.00 | \$13.64 |
| Fully Loaded Wage Rate | Wf = Wb + OH = W + B + OH | \$121.72 | \$72.01 | \$40.93 |

1. Data Source: http://www.bls.gov/oes/current/naics4_325300.htm
Management: 11-0000, Management Occupations
Technical: 19-0000, Life Physical, and Social Science Occupations
Clerical: 43-0000, Office and Administrative Support Occupations
2. Fringe benefits ÷ wage per hour
3. U.S. Environmental Protection Agency, *EPA Air Pollution Control Cost Manual, Sixth Edition*, EPA-452-02-001, January 2002, pg. 2-34. The loading for indirect costs is within the range of 20-70% of the loaded labor rate (wage + benefits) suggested in EPA guidance.

Source: US Department of Labor, Bureau of Labor Statistics, May 2014

EPA (Agency) Labor Costs

| Labor Category | Formula | Managerial | Technical | Clerical |
|-----------------------------------|------------------------------|------------|-----------|----------|
| Unloaded Hourly Rate ¹ | = W | \$56.54 | \$37.15 | \$21.15 |
| Benefits Percentage ² | Lb = B/W | 44% | 44% | 44% |
| Benefits per hour | B = W*Lb | \$24.65 | \$16.20 | \$9.22 |
| Loaded Hourly Rate | Wb = W+B = W(1+Lb) | \$81.19 | \$53.35 | \$30.37 |
| Overhead Percentage ³ | Lo = OH/Wb | 50% | 50% | 50% |
| Overhead per hour | OH = Wb*Lo | \$40.60 | \$26.67 | \$15.19 |
| Fully Loaded Wage Rate | Wf = Wb + OH = W + B + OH | \$121.79 | \$80.02 | \$45.56 |

1. Data Source: http://www.bls.gov/oes/current/naics4_999100.htm
Management: 11-0000, Management Occupations
Technical: 19-0000, Life Physical, and Social Science Occupations
Clerical: 43-0000, Office and Administrative Support Occupations
2. Fringe benefits ÷ wage per hour
3. U.S. Environmental Protection Agency, *EPA Air Pollution Control Cost Manual, Sixth Edition*, EPA-452-02-001, January 2002, pg. 2-34. The loading for indirect costs is within the range of 20-70% of the loaded labor rate (wage + benefits) suggested in EPA guidance.

Source: US Department of Labor, Bureau of Labor Statistics, May 2014