

FRINGE BENEFITS PAID BY ARIZONA COPPER MINES
COMPARATIVE WAGE STATISTICS

Compiled By Arizona Department of Mineral Resources

A survey made of the copper mining industry in Arizona reveals that the large copper mines paid, during the year 1954, an average of \$887.50 per employee in fringe benefits, over and above regular and overtime wages.

Fringe benefits have become an increasingly important part of the annual wage paid to industrial employees. Some of these benefits are required by state and federal laws, others are part of the union contracts, but all are in addition to the regular cash wage paid to each employee, and add to the cost of production.

The larger copper companies, employing 10,416 men out of the total of 12,502 engaged in Arizona copper mining, during the year 1954, replied to questionnaires asking for details of fringe benefits paid. A quantitative average of their reports showed that they paid 17.63% of their payroll in fringe benefits, compared with 15.67% in 1951-52.

It may be interesting to note that the recipient of fringe payments does not pay a tax on them. In fact, this tax-free status is another fringe benefit in itself.

The following is a composite average of the fringe benefits paid during the year 1954, compared with those paid during the years 1951-1952:

Type of Payment	Percent of Payroll		Cents per Payroll Hour		Dollars per yr. per employee	
	1954	1951-52	1954	1951-52	1954	1951-52
Total fringe payments	17.63	15.67	37.83	28.68	887.50	715.28
1. Legally required payments (employer's share only)	3.12	3.16	6.77	5.78	157.79	144.11
a. Old-age and Survivors Insurance					74.92	58.10
b. Unemployment Compensation (Fed. & State)					24.22	27.53
c. Workmen's Compensation					58.65	58.48
2. Pension and other agreed-upon payments (employer's share)	4.39	3.00	9.26	5.49	220.57	137.16
a. Pension-plan payments					186.97	95.38
b. Life insurance premiums, death benefits, sickness, accident & Med. care Insurance premiums, hosp. insurance premiums, etc.					26.04	34.30
c. Separation or termination pay allowances					1.28	3.90
d. Discounts on goods purchased from Co. by employees					0.48	0.76
e. Misc. payments (free meals, compens. payments in excess of legal requirements, payments to needy employees, tuition refunds, savings & stock purch. plans.)					5.80	2.82

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Type of Payment	Percent of Payroll		Cents per Payroll Hour		Dollars per yr. per employee	
	1954	1951-52	1954	1951-52	1954	1951-52
3. Paid rest periods, lunch periods, wash-up time, travel time, clothes-change time, etc.	3.39	3.36	7.36	6.15	175.64	153.27
4. Payments for time not worked	4.38	3.68	9.43	6.74	219.86	168.09
a. Paid vacations & bonuses in lieu of vacations					164.09	119.56
b. Payments for holidays not worked					47.59	41.78
c. Paid sick leave					7.07	5.10
d. Payments for Nat. Guard duty, Jury, witness and voting pay allowances, payment for time lost due to death in family or other personal reasons					1.11	1.65
5. b. Christmas or other special bonuses, service awards, suggestion awards, etc.	0.09	0.11	0.28	0.20	5.03	4.98
6. Other employee fringe benefits not listed above:	2.26	2.36	4.73	4.32	108.61	107.67
Hospital deficits					89.75	83.32
Rental Department loss					11.90	12.55
Social contributions					6.96	11.80
Total fringe payments as percent of payroll	17.63	15.67				
Total fringe payments as cents per payroll hour			37.83	28.68		
Total fringe payments as dollars per yr. per employee					\$887.50	\$715.28
* Average Hourly Wage Rate of Copper Miners			\$ 2.121	\$ 1.83C		
* Average No. of Employees covered in survey			10,416	9,201		
* Avg. Annual Wages (excl. of fringe benefits) per employee			\$ 5,034.	\$ 4,566.		

* These are averages for companies covered in survey.

The accompanying tables, compiled from reports of the Arizona Employment Security Commission, give details concerning the number of employees and their average annual and weekly earnings by selected industries. These are actual cash wages and in no case are fringe benefits included.

The total annual wages paid for the year 1954 to all mining, quarrying and smelting employees (15,907), were \$80,491,628. If all 15,907 employees received the same fringe benefits as the copper mining employees were shown to have received, a total of \$14,117,463 (15,907 x \$887.50) would have been added to the mining and smelting companies' payroll, which would have mounted to \$94,609,091 as the total payroll for 1954.

Fringe benefits amount to 17.63% of the regular payroll, and do not show on the employee's pay-check. In addition to the \$2.132 per hour which he averaged in 1954, he received in fringe benefits 37.8 cents per hour, or a total of \$2.510 per hour.