

FRINGE BENEFITS PAID BY ARIZONA COPPER MINES & SMELTERS

FOR YEAR 1959

Compiled By Arizona Department of Mineral Resources

A survey of the copper mining and smelting industry in Arizona reveals that the large copper mines and smelters paid, during the year 1959, an average of \$1,184.54 per employee in fringe benefits over and above regular and overtime wages. The average fringe benefits for each employee covered by the survey amounted to 67.16 cents per payroll hour.

Fringe benefits have become an increasingly important part of the annual wages 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.

A representative number of the larger copper companies, employing 11,266 men out of a total of 13,093 covered* employees engaged in Arizona copper mining, milling, smelting, during the year 1959, replied to questionnaires asking for details of fringe benefits paid. A quantitative average of their reports showed that they paid 25.78 percent of their payroll in fringe benefits, compared with 17.63 percent in 1954.

A similar research study prepared by the Economic Research Department of the Chamber of Commerce of the United States for the year 1959, showed a mean average for all industries of 22.8% of payroll, where 25% of the firms paid more than 26.6%.

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.

According to the Arizona Employment Security Commission, the total annual wages paid for the year 1959, to all covered mining, milling and smelting employees (13,093) were \$80,534,236. If all 13,093 employees received the same fringe benefits as the copper mining, milling and smelting employees covered in the study, a total of \$15,509,182 ($13,093 \times \$1,184.54$) would have been added to the regular payroll of the copper mining, milling and smelting companies, which would have amounted to \$96,043,418 as the total payroll (including fringe benefits) for 1959.

* Covered by Social Security.

FRINGE PAYMENTS BY TYPE OF PAYMENT, 1959

ARIZONA COPPER MINES

Note: This form of questionnaire was composed by the Chamber of Commerce of the United States, Washington, 6, D.C.

Type of Payment	Percent of Payroll	Cents per Payroll Hour	Dollars per year per Employee
Total fringe payments as per cent of payroll	25.78	67.16	1,184.54
1. Legally required payments (employer's share only)	4.32	11.27	198.74
a. Old-Age and Survivors Insurance	2.47		113.62
b. Unemployment Compensation:			
(1) 0.3% tax to Federal Government	0.20		9.31
(2) State tax (net)	0.35		15.83
c. Workmen's compensation (including estimated cost for self-insured)	1.30		59.98
d. Sickness benefits insurance, etc..			
2. Pension and other agreed-upon payments (employer's share only)	6.24	16.27	286.92
a. Pension-plan premiums and pension payments not covered by insurance-type plan	4.34		199.25
b. Life insurance premiums, death benefits, sickness, accident and medical-care insurance premiums, hospitalization insurance, etc	1.85		85.06
c. Separation or termination pay allowances			
d. Discounts on goods and services purchased from company by employees			
e. Miscellaneous payments (free meals, compensation payments in excess of legal requirements, payments to needy employees, tuition refunds, savings, and stock purchase plans, etc.	0.05		2.61
3. Paid rest periods, lunch periods, wash-up time, travel time, clothes-change time, get-ready time, etc.	4.11	10.71	188.95

FRINGE PAYMENTS BY TYPE OF PAYMENT, 1959 (cont'd)

Type of Payment	Percent of Payroll	Cents per Payroll Hour	Dollars per year per Employee
4. Payments for time not worked	6.54	17.00	299.92
a. Paid vacations and bonuses in lieu of vacations	4.96		228.04
b. Payments for holidays not worked . .	1.42		65.01
c. Paid sick leave	0.14		6.18
d. Payments for State or National Guard duty, jury, witness and voting pay allowances, payments for time lost due to death in family or other personal reasons, etc.	0.02		0.69
5. Other items	0.01	0.03	0.55
a. Profit-sharing payments			
b. Christmas or other special bonuses, service awards, suggestion awards, etc.	0.01		0.55
c. Special wage payments ordered by courts, payments to union stewards, etc.			
6. Other employee fringe benefits not listed above	4.56	11.88	209.46
Hospital deficits	3.64		167.06
Rental deficits	0.73		33.58
Contributions	0.14		6.26
Overtime pay02		0.96
Other Benefits.03		1.60

Total fringe payments as cents per
payroll hour 67.16

Total fringe payments as dollars per
year per employee \$1,184.54

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Average Hourly Wage Rate (exclusive of any fringe benefits)	<u>2.605</u>
Average Number of Employees	<u>11,266</u>