Residential Division

Craft	1 Base wage per hour	2 Taxable fringe benefits (@5.50% of base wage)	3 Insurance and employer taxes (%)	4 Insurance and employer taxes ($)	5 Non-taxable fringe benefits (@4.86% of base wage)	6 Total hourly cost used in this book
Bricklayer	$27.34	$1.50	25.30%	$7.30	$1.33	$37.47
Bricklayer's Helper	20.26	1.11	25.30	5.41	0.98	27.76
Building Laborer	20.67	1.14	32.66	7.12	1.00	29.93
Carpenter	25.72	1.41	31.56	8.56	1.25	36.94
Cement Mason	26.00	1.43	23.12	6.34	1.26	35.03
Drywall installer	26.60	1.46	23.53	6.60	1.29	35.95
Drywall Taper	26.55	1.46	23.53	6.59	1.29	35.89
Electrician	30.50	1.68	19.82	6.38	1.48	40.04
Floor Layer	24.95	1.37	23.79	6.26	1.21	33.79
Glazier	25.95	1.43	25.73	7.04	1.26	35.68
Lather	26.69	1.47	21.26	5.99	1.30	35.45
Marble Setter	24.67	1.36	21.34	5.55	1.20	32.78
Millwright	26.16	1.44	21.22	5.86	1.27	34.73
Mosiac & Terrazzo Worker	26.22	1.44	21.34	5.90	1.27	34.83
Operating Engineer	30.77	1.69	25.18	8.17	1.50	42.13
Painter	27.60	1.52	24.85	7.24	1.34	37.70
Plasterer	26.33	1.45	28.53	7.93	1.28	36.99
Plasterer Helper	20.65	1.14	28.53	6.22	1.00	29.01
Plumber	31.53	1.73	24.24	8.06	1.53	42.85
Reinforcing Ironworker	27.64	1.52	28.56	8.33	1.34	38.83
Roofer	26.32	1.45	44.02	12.22	1.28	41.27
Sheet Metal Worker	30.19	1.66	25.97	8.27	1.47	41.59
Sprinkler Fitter	30.98	1.70	25.05	8.19	1.51	42.38
Tile Layer	26.46	1.46	21.34	5.96	1.29	35.17
Truck Driver	22.26	1.22	26.18	6.15	1.08	30.71

Hourly Labor Cost

The labor costs shown in Column 6 were used to compute the manhour costs for crews on page 7 and the figures in the "Labor" column of the Residential Division of this manual. Figures in the "Labor" column of the Industrial and Commercial Division of this book were computed using the hourly costs shown on page 309. All labor costs are in U.S. dollars per manhour.

It's important that you understand what's included in the figures in each of the six columns above. Here's an explanation:

Column 1, the base wage per hour, is the craftsman's hourly wage. These figures are representative of what many contractors will be paying craftsmen working on residential construction in 2018.

Column 2, taxable fringe benefits, includes vacation pay, sick leave and other taxable benefits. These fringe benefits average 5.50% of the base wage for many construction contractors. This benefit is in addition to the base wage.

Column 3, insurance and employer taxes in percent, shows the insurance and tax rate for construction trades. The cost of insurance in this column includes workers' compensation and contractor's casualty and liability coverage. Insurance rates vary widely from state to state and depend on a contractor's loss experience. Typical rates are shown in the Insurance section

of this manual beginning on page 185. Taxes are itemized in the section on page 285. Note that taxes and insurance increase the hourly labor cost by 30 to 35% for most trades. There is no legal way to avoid these costs.

Column 4, insurance and employer taxes in dollars, shows the hourly cost of taxes and insurance for each construction trade. Insurance and taxes are paid on the costs in both columns 1 and 2.

Column 5, non-taxable fringe benefits, includes employer paid non-taxable benefits such as medical coverage and tax-deferred pension and profit sharing plans. These fringe benefits average 4.86% of the base wage for many construction contractors. The employer pays no taxes or insurance on these benefits.

Column 6, the total hourly cost in dollars, is the sum of columns 1, 2, 4, and 5.

These hourly labor costs will apply within a few percent on many jobs. But wage rates may be much higher or lower in some areas. If the hourly costs shown in column 6 are not accurate for your work, develop modification factors that you can apply to the labor costs in this book. The following paragraphs explain the procedure.

Adjusting Labor Costs

Here's how to customize the labor costs in this book if your wage rates are different from the wage rates shown on page 10 or 309.

Start with the taxable benefits you offer. Assume craftsmen on your payroll get one week of vacation each year and one week of sick leave each year. Convert these benefits into hours. Your computation might look like this:

```
  40 vacation hours
+ 40 sick leave hours
  80 taxable leave hours
```

Then add the regular work hours for the year:

```
  2,000 regular hours
+ 80 taxable benefit hours
  2,080 total hours
```

Multiply these hours by the base wage per hour. If you pay carpenters $10.00 per hour, the calculation would be:

```
  2,080 hours
x $10.00 per hour
  $20,800 per year
```

Next, determine the tax and insurance rate for each trade. If you know the rates that apply to your jobs, use those rates. If not, use the rates in column 3 on page 10. Continuing with our example, we'll use 31.56%, the rate for carpenters in column 3 on page 10. To increase the annual taxable wage by 31.56%, we'll multiply by 1.3156:

```
  $20,800 per year
x 1.3156 tax & insurance rate
  $27,364 annual cost
```

Then add the cost of non-taxable benefits. Suppose your company has no pension or profit sharing plan but does provide medical insurance for employees. Assume that the cost for your carpenter is $343.67 per month or $4,124 per year.

```
  $4,124 medical plan
+  27,364 annual cost
  $31,488 total annual cost
```

Divide this total annual cost by the actual hours worked in a year. This gives the contractor's total hourly labor cost including all benefits, taxes and insurance. Assume your carpenter will work 2,000 hours a year:

$$\frac{\$31,488}{2,000} = \$15.74 \text{ per hour}$$

Finally, find your modification factor for the labor costs in this book. Divide your total hourly labor cost by the total hourly labor cost shown on page 10. For the carpenter in our example, the figure in column 6 is $36.94.

$$\frac{\$15.74}{\$36.94} = .426$$

Your modification factor is 42.6%. Multiply any building carpenter (Craft Code BC) labor costs in the Residential Division of this book by .426 to find your estimated cost. For example, on page 24 the labor cost for installing an 18" long towel bar is $10.30 per each bar. If installed by your carpenter working at $10.00 per hour, your estimated cost would be 42.6% of $10.30 or $4.39. The manhours would remain the same @.280, assuming normal productivity.

If the Labor Rate Is Unknown

On some estimates you may not know what labor rates will apply. In that case, use both labor and material figures in this book without making any adjustment. When all labor, equipment and material costs have been compiled, add or deduct the percentage shown in the area modification table on pages 12 through 15.

Adjusting the labor costs in this book will make your estimates much more accurate.