

Recordkeeping 201: Part eight

'And a one, and a two' – Counting employees and hours

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Editor's note: This installment discusses some of the finer points of preparing the OSHA log summary (OSHA form 300A). For a more general introduction to summarizing the OSHA log, see [Recordkeeping 101, Part 6](#).

Keeping an accurate count of OSHA-recordable injuries and illnesses only gets you halfway toward calculating your incidence rates. Incidence rates show the rate of cases per 100 full-time-equivalent (FTE) workers. The incidence rates calculated from the cases recorded on your OSHA log require dividing the number of cases by the total hours worked. Calculating accurate injury and illness incidence rates is only possible when you have an accurate estimate of employee hours worked.

The OSHA Log Summary form (OSHA 300A) also requires the annual average number of employees. While the employee count does not figure directly into the calculation of incidence rates, it is used to classify the establishment's size and is used by the Bureau of Labor Statistics (BLS) to judge whether the reported total hours worked seems reasonable for establishments participating in the Survey of Occupational Injuries and Illnesses. Employers can benchmark their incidence rates against the rates of firms of similar size in one set of the national summary tables. (See, for example, total case incidence rates by employer size at www.bls.gov/iif/oshwc/osh/os/ostb2075.pdf.)

OSHA provides a worksheet on the back of the OSHA 300A form to help employers with their calculations of employees and hours worked (see page 9 of the forms packet at www.osha.gov/recordkeeping/new-osha300form1-1-04.pdf); BLS provides an example of the calculations in its survey packet (see page 4 of the packet at www.bls.gov/respondents/iif/forms/soii2009.pdf).



Counting employees

Calculating the average annual number of employees involves counting the number of employees on your payroll in every pay period and counting the number of employees who may not be on your payroll but are supervised by your company on a day-to-day basis. These are the same set of employees whose injuries and illnesses would be recorded on your OSHA log. Employees include executives and hourly, salary, part-time, seasonal and migrant workers. If the business is organized as a sole proprietorship or partnership, the owner or partners are not considered employees for recordkeeping purposes.

The total number of employees of all types, on the payroll or under your direct control, during each pay period should be counted for each pay period. If the same worker received pay in each pay period, then that worker would be counted once in each pay period. Each worker is counted as one worker, regardless of the number of hours they worked during that pay period. Two half-time workers and two full-time workers count as four workers.

The count of workers during each pay period is then summed across all the pay periods and divided by the number of pay periods to compute an average. You need to include pay periods when you had no employees. The average is then rounded up to the next highest whole number and entered on

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the OSHA log summary form; never report that you have a fraction of an employee. Of course, if you had the same number of workers all year, your calculation would be much simplified. Do not enter an estimate of the number of full-time-equivalent workers, the incidence rate calculations will do this for you.



some businesses use a full-time work week of less than 40 hours. The full-time hours estimate will be different if your business has seasonal variations or shuts down for a few weeks each year.

Estimating total hours worked

After you have counted the number of employees, you need to estimate the total hours worked during the calendar year. This is the total time workers were exposed to the risks associated with their employment. Total hours worked is different from the total hours they were paid – some workers may have been under your direct supervision, but not on your payroll, and you need to exclude paid hours used for vacation, sick leave, holidays and any other nonwork time. For workers who are not paid hourly, it is often necessary to estimate the number of hours actually worked. If your payroll accounting system has a record of the total hours worked, then you can enter that number without needing to estimate.

The number of overtime hours also needs to be entered, along with the hours worked by non-full-time employees and all other workers under your direct control. For workers who are on-call, only count the actual hours spent working. For this estimate, you could use the number of calls requiring work each month and the average time spent on each call.

Your hours estimate should be as accurate as you can make it with a reasonable amount of effort. Remember that your incidence rates, like the state and national benchmark rates, are all estimates. With a 5 percent margin of error in worker hours, an incidence rate of 4.0 could show up within a range of 4.2 to 3.8 cases per 100 FTE workers.

For your full-time employees, you can generally estimate they worked the full-time number of hours each week and then subtract the average annual vacation and holiday time. The general estimate for a full-time employee is that he or she works 40 hours for 50 weeks, amounting to 2,000 hours annually. This estimate can vary by industry, and

If you need further assistance to count your company's employees or hours, e-mail the Policy Development, Research and Statistics unit at dli.research@state.mn.us. You can also use the Incidence Rate Calculator and Comparison Tool on the BLS Web site at <http://data.bls.gov:8080/IIRC>.



Next recordkeeping topic: Is there a difference between workers' compensation claims and OSHA log recordable cases?