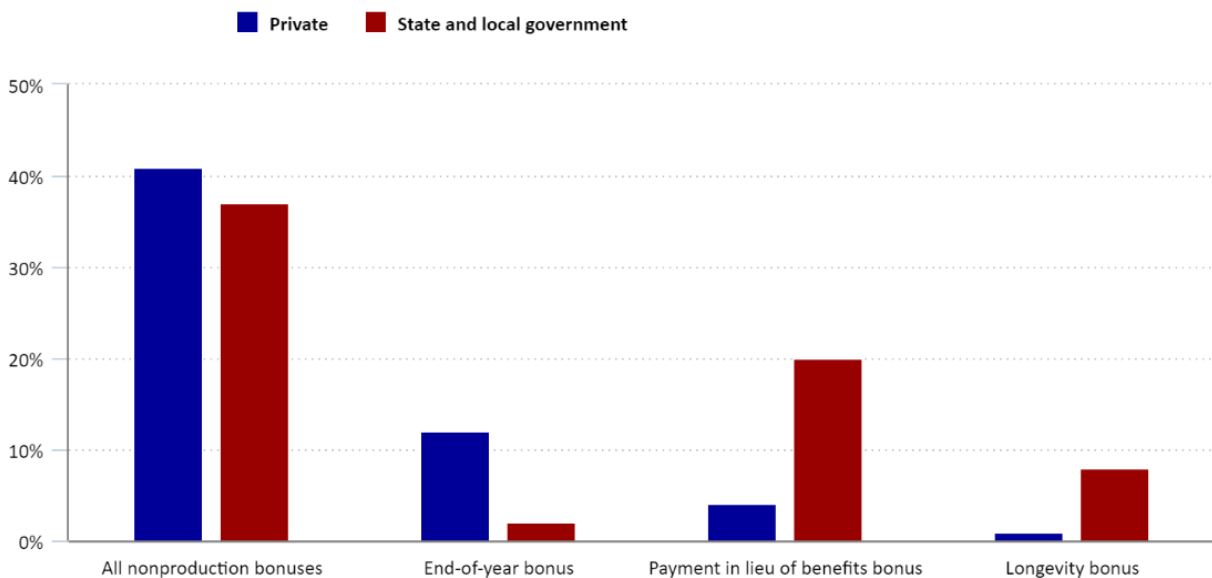


What types of nonproduction bonuses are available to workers?

The [National Compensation Survey](#) (NCS) program publishes nonproduction bonuses, which are cash payments made to employees that are not directly related by any formula to individual employee productivity. The [Employment Cost Index](#) (ECI) includes nonproduction bonuses in total benefits, the [Modeled Wage Estimates](#) (MWE) doesn't include nonproduction bonuses, the [Employer Cost for Employee Compensation](#) (ECEC) provides the dollar amount for nonproduction bonuses per hour worked and the NCS [Benefits](#) produces data on the percent of access to nonproduction bonuses.¹ Access to nonproduction bonuses includes the following bonus types: cash profit sharing, employee recognition, end-of-year, holiday, payment in lieu of benefits, longevity, referral, hiring, retention, management incentive, attendance, safety, suggestion, contract signing, lump sum and other (such as birthday and retirement bonuses).

In March 2022, 41 percent of private industry and 37 percent of state and local government workers had access to nonproduction bonuses. Twelve percent of private industry workers and 2 percent of state and local government workers had access to end-of-year bonuses. Four percent of private industry and 20 percent of state and local government workers had access to payment in lieu of benefit bonuses. One percent of private industry and 8 percent of state and local government had access to longevity bonuses. (See chart 1.)

Chart 1. Percent of workers with access to nonproduction bonuses by ownership, March 2022



Click legend items to change data display. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

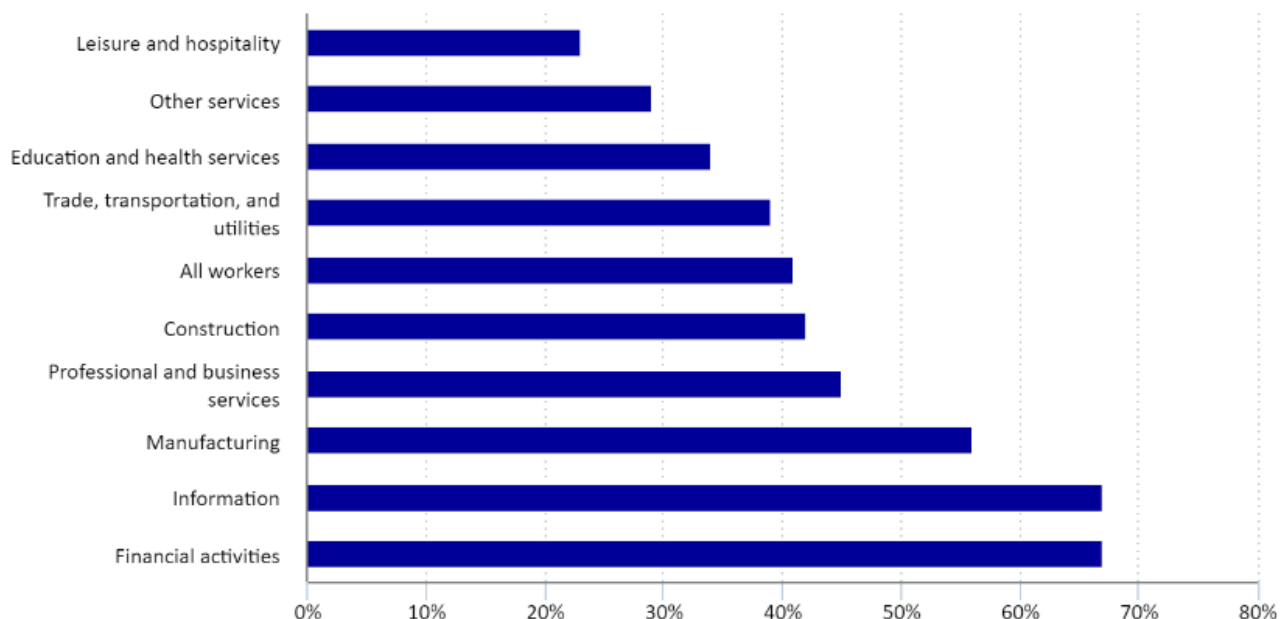
Table 1. Percent of workers with access to nonproduction bonuses by ownership, March 2022

| Nonproduction bonuses | Private | State and local government |
|-----------------------------------|---------|----------------------------|
| All nonproduction bonuses | 41% | 37% |
| End-of-year bonus | 12% | 2% |
| Payment in lieu of benefits bonus | 4% | 20% |
| Longevity bonus | 1% | 8% |

Source: U.S. Bureau of Labor Statistics, National Compensation Survey

Among the private industry in March 2022, 41 percent of all workers had access to nonproduction bonuses. Sixty-seven percent of workers in the financial activities industry and 23 percent of workers in the leisure and hospitality industry had access to nonproduction bonuses. Chart 2 illustrates the percent of nonproduction access for workers among private industries in March 2022.

Chart 2. Percent of private industry workers with access to nonproduction bonuses by industry group, March 2022



Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

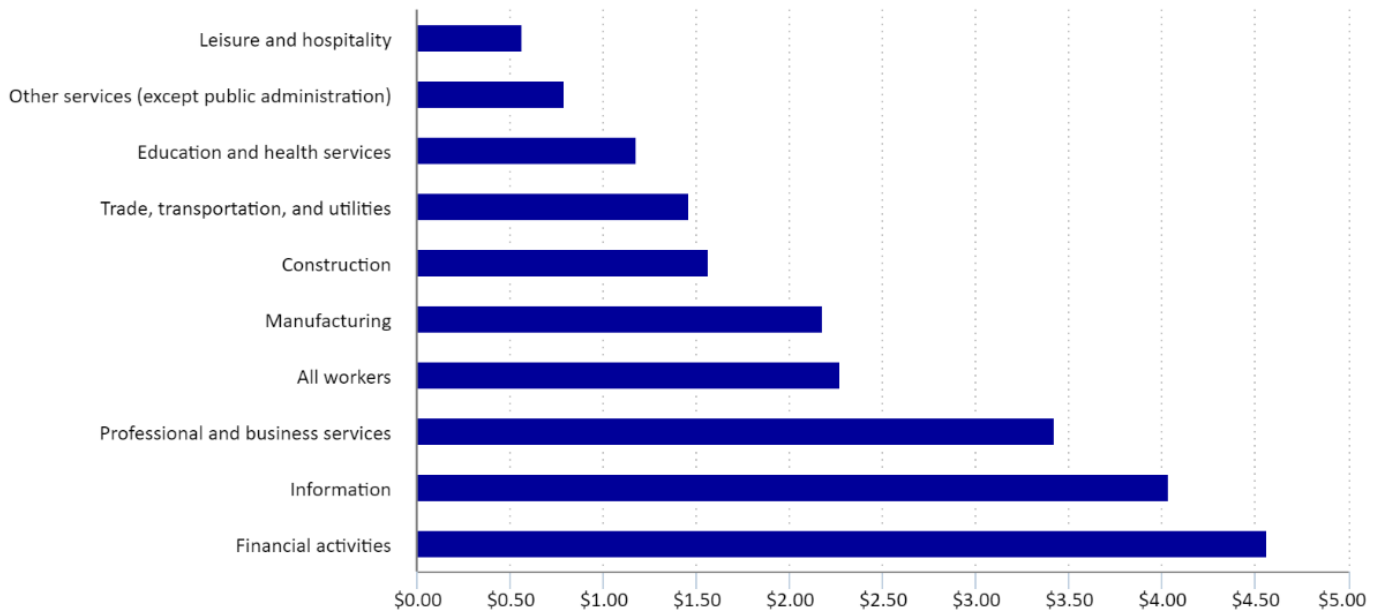
Table 2. Percent of private industry workers with access to nonproduction bonuses by industry group, March 2022

| Industry | Access |
|--------------------------------------|--------|
| Leisure and hospitality | 23% |
| Other services | 29% |
| Education and health services | 34% |
| Trade, transportation, and utilities | 39% |
| All workers | 41% |
| Construction | 42% |
| Professional and business services | 45% |
| Manufacturing | 56% |
| Information | 67% |
| Financial activities | 67% |

Source: U.S. Bureau of Labor Statistics, National Compensation Survey

Estimates from the [Employer Costs for Employee Compensation](#) (ECEC) and NCS Benefits can be combined to approximate the employer costs for workers with access to nonproduction production bonuses.² From March 2022 in the ECEC, private industry workers were paid \$0.93 per hour of work for nonproduction bonuses, which accounted for 2.4 percent of their total compensation. By dividing the hourly cost by 41 percent of private industry workers with access to nonproduction bonuses, an employer cost of \$2.27 per hour worked can be estimated for private industry workers who have access to nonproduction bonuses. (See chart 3.)

Chart 3. Estimated employer costs for workers with access to nonproduction bonuses by industry group, private industry workers, March 2022



Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

Table 3. Estimated employer costs for workers with access to nonproduction bonuses by industry group, private industry workers, March 2022

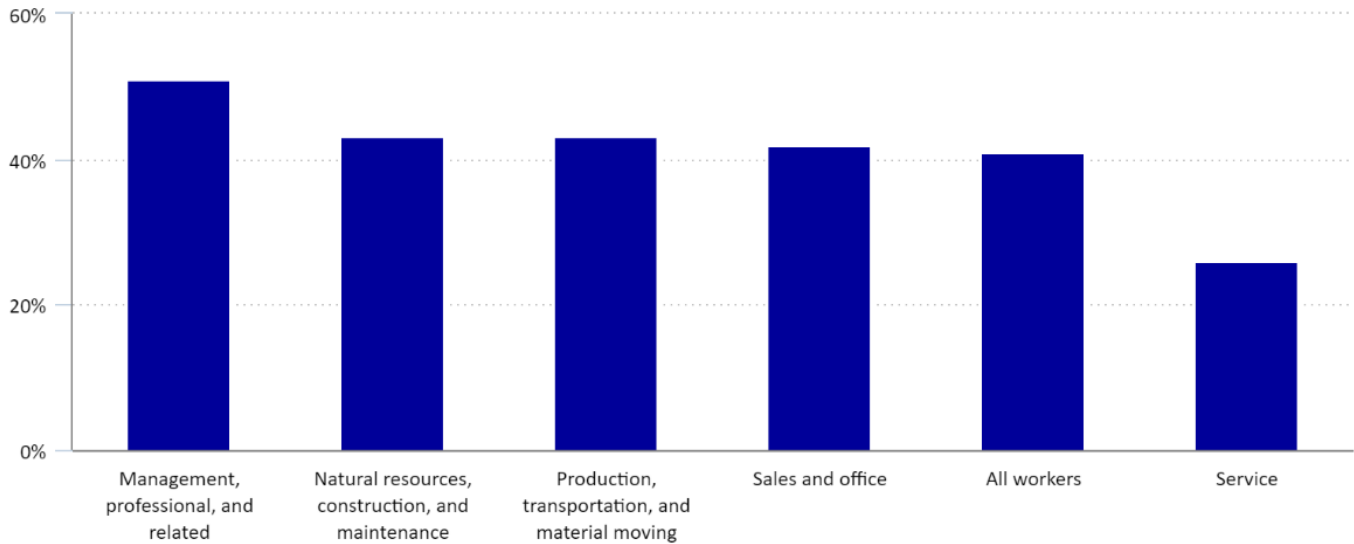
| Industry | Cost |
|---|--------|
| Leisure and hospitality | \$0.57 |
| Other services (except public administration) | \$0.79 |
| Education and health services | \$1.18 |
| Trade, transportation, and utilities | \$1.46 |
| Construction | \$1.57 |
| Manufacturing | \$2.18 |
| All workers | \$2.27 |
| Professional and business services | \$3.42 |
| Information | \$4.04 |
| Financial activities | \$4.57 |

Source: U.S. Bureau of Labor Statistics, National Compensation Survey



Forty-one percent of all private industry workers had access to nonproduction bonuses. Twenty-six percent of workers in service occupations and 51 percent of management, professional and related occupations had access to nonproduction bonuses. (See chart 4.)

Chart 4. Percent of private industry workers with access to nonproduction bonuses by occupational group, March 2022



Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

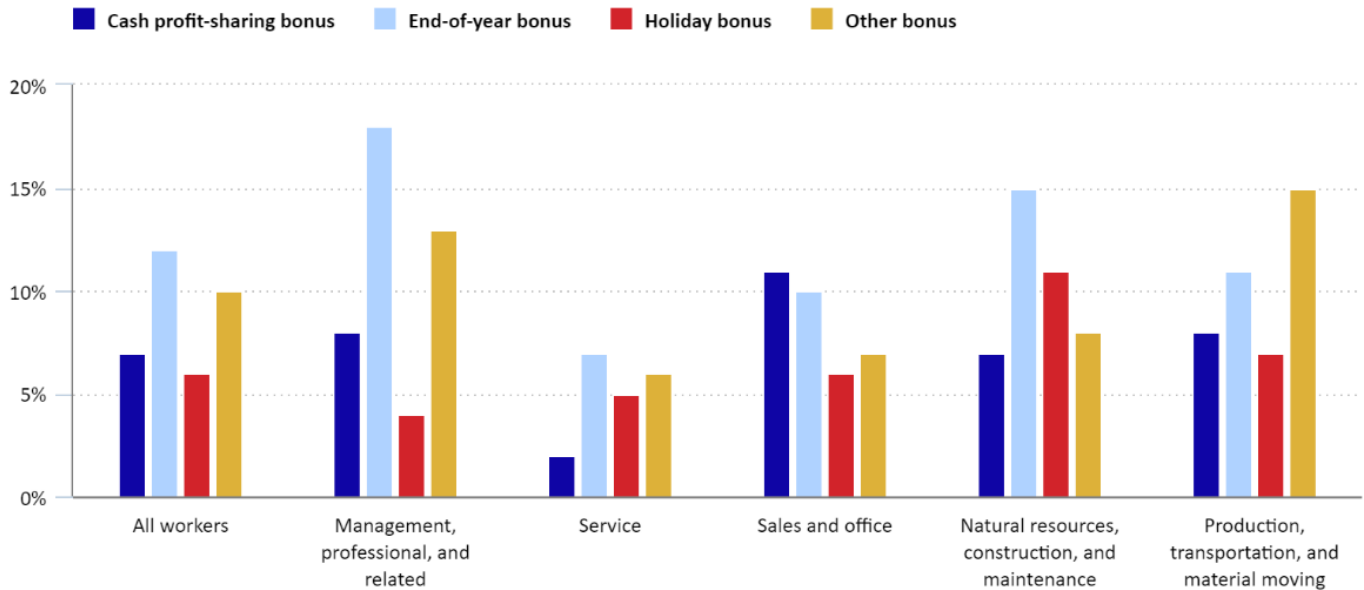
Table 4. Percent of private industry workers with access to nonproduction bonuses by occupational group, March 2022

| Occupational group | Access |
|--|--------|
| Management, professional, and related | 51% |
| Natural resources, construction, and maintenance | 43% |
| Production, transportation, and material moving | 43% |
| Sales and office | 42% |
| All workers | 41% |
| Service | 26% |

Source: U.S. Bureau of Labor Statistics, National Compensation Survey

Among different types of nonproduction bonuses, 7 percent of all private industry workers had access to cash profit-sharing bonuses. Among occupational groups, 11 percent of sales and office and 2 percent of service occupations had access to cash profit-sharing bonuses. Twelve percent of all workers, 7 percent of service and 18 percent of management, professional and related occupations had access to end-of-year bonuses. Six percent of all workers, 4 percent of management, professional and related and 11 percent of natural resources, construction, and maintenance had access to holiday bonuses. Ten percent of all workers, 6 percent of service occupations and 15 percent of production, transportation and material moving occupations had access to other nonproduction bonuses.³ (See chart 5.)

Chart 5. Percent of private industry workers with access to types of nonproduction bonuses by occupational group, March 2022



Click legend items to change data display. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

Table 5. Percent of private industry workers with access to types of nonproduction bonuses by occupational group, March 2022

| Occupational group | Cash profit-sharing bonus | End-of-year bonus | Holiday bonus | Other bonus |
|--|---------------------------|-------------------|---------------|-------------|
| All workers | 7% | 12% | 6% | 10% |
| Management, professional, and related | 8% | 18% | 4% | 13% |
| Service | 2% | 7% | 5% | 6% |
| Sales and office | 11% | 10% | 6% | 7% |
| Natural resources, construction, and maintenance | 7% | 15% | 11% | 8% |
| Production, transportation, and material moving | 8% | 11% | 7% | 15% |

Source: U.S. Bureau of Labor Statistics, National Compensation Survey

Technical Note

The [Handbook of Methods: National Compensation Measures](#) provides information on the survey design, calculations, weighting, and imputation methods used to produce estimates for the ECI, ECEC, and Benefits publications. Information on calculating the reliability of estimates (standard errors) is also included in the [calculation](#) section.

Private industry estimates should not be directly compared with state and local government estimates as differences between these sectors stem from factors such as variation in work activities and occupational structures. Manufacturing and sales, for example, comprise a large portion of private industry work activities



but are rare in state and local government. Professional and administrative support occupations (including teachers) account for two-thirds of the state and local government workforce, compared with one-half of private industry.

One-third of the private industry sample had been rotated each year except in years when the government sample was replaced. Beginning with the March 2022 publication, however, an additional (fourth) private industry sample is used in estimation to mitigate the impact of decreasing response rates. The government sample is replaced less frequently than the private industry sample. The state and local government sample was replaced in its entirety for the March 2017 reference period. As the sample is partially rotated each year and sample weights are updated for the reference period based on the Current Employment Statistics, the estimates are not considered a time-series.

For all published estimates of cost, coverage, and provisions of employer-sponsored benefit plans see the [National Compensation Survey \(NCS\) publications list](#).

Additional Resources

- [Latest news release](#)
- [Archived Benefits news releases](#)
- [Employee Benefits Survey glossary](#)
- [Annual bulletin \(2021\)](#)
- [NCS classification page](#)
- [Pay Measure Comparison](#)

Additional Articles

- [Access to end-of-year and holiday bonuses for private industry workers in 2019](#)
- [38 percent of private industry workers had access to nonproduction bonuses in 2017](#)

END NOTES

¹ The [Pay Measure Comparison](#) allows for comparison across the 12 BLS surveys or programs that provide information on pay and benefits.

² For more information on utilizing both Benefits and ECEC data, see the [Benefit Costs Concepts and Limitations of the ECEC Measurement](#).

³ Other nonproduction bonuses are payments made to employees for a designated occasion or based on a specified circumstance, such as a birthday bonus or final year's pay for providing one year's irrevocable notice of retirement.