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Fringe Benefits: Can They Go Too Far?

YOU MIGHT be earning one-third more money than you receive in your take-home pay. Somebody else spends it for you and you never see it.

It is legal and aboveboard. You are not deprived of "benefits" of your earnings, whatever they might be.

The U.S. Chamber of Commerce reports that benefits paid to American workers have increased from 3 percent of companies' payrolls in 1929 to more than one-third in 1979.

There is a long-standing joke about swapping the paycheck for the deductions, but it doesn't seem so funny when it is realized that a worker may actually receive in cash only about half of what it costs an employer to have him or her around.

While workers may or may not regard additional "fringe benefits" as increased pay, employers are compelled to consider whatever they cost as a part of the total payroll expense.

The USCC survey was based upon information obtained from 922 companies across the country. Pay-

ments varied widely, ranging from \$2,400 to \$9,500 in benefits per worker per year. The overall average was \$5,560 per employee per year — \$107 per week! The proportion of fringe benefits to payroll total ranged from 18 to 65 percent.

Benefits legally required (including Social Security) took 9 percent of the payroll. Another 12.1 percent went for pensions, insurance and other agreed-upon payments. Paid rest periods, holidays and lunch break costs amounted to 3.5 percent. Vacation and sick leave totaled 9.5 percent. Profit-sharing, bonuses and thrift plans cost employers 2.5 percent of total payroll.

Not included were federal programs, such as those required by the Occupational, Safety and Health Administration, to provide safe and healthful working conditions. These sometimes cost employers large outlays in equipment and facilities but are not payroll expenses.

Workers may consider fringe benefits when contemplating a change in job but ordinarily do not regard them as part of their paychecks.

There is another way of looking at this idea of having someone else spend a major chunk of your earnings. Transferring responsibility for the benefits to employers (or the government) may erode the individual's independence and self-reliance. Some people think it tends toward socialism, with "Big Brother" looking out for the individual.

Payroll deductions for taxes are not optional and the part Congress and the legislature have in spending our money ought not to be overlooked. They appropriate money for "benefits," wanted or not. Many benefits are desirable and cost less than if provided by the individual on a personal basis.

A big question about "fringe benefits" is where they should end. Certain unions have demanded "lifetime security," apparently meaning employers would take care of workers whether they work or not.

If we go much further in the direction we are headed, the government and employers together will be spending most of our earnings for us. This may be true in some cases already.