



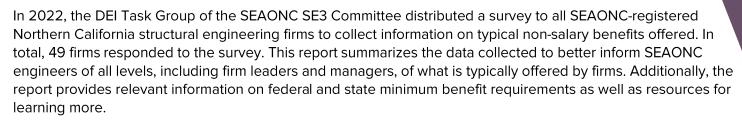
STRUCTURAL ENGINEERING ENGAGEMENT & EQUITY

## Non-Salary Benefits of Northern California Structural Engineering Firms Summary Report

By the Structural Engineering, Engagement, and Equity Committee of the Structural Engineers Association of Northern California (SEAONC)

DIVERSITY, EQUITY, AND INCLUSION TASK GROUP

2022-2023



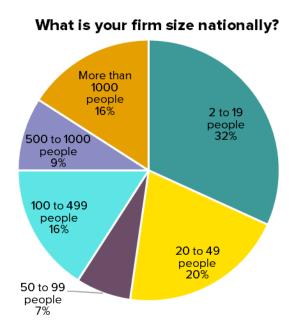
All data presented in this report is anonymized and presented in a way that shows trends in individual benefits categories. As such, we recognize that this report cannot fully showcase the intricacies of many benefits packages, which are often very situationally dependent. We hope that this report will provide useful context for evaluating benefits packages but caution against drawing conclusions that may go beyond the scope of the anonymized data.

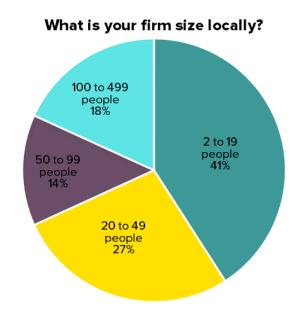
SEAONC SE3 would like to thank all the firms that responded to the survey for their time and willingness to participate. Due to the anonymous nature of the data we cannot list all the firms here, but if you responded to the survey or forwarded it on to your human resources contact, thank you!

## **Firm Respondent Demographics**

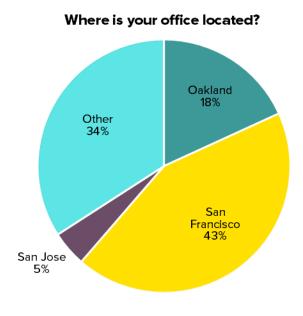


Of the 49 firms that responded to the survey, four are sole practitioners and one firm is located outside of the target area of Northern California. Sole practitioners were excluded from the results presented in this report as the Committee felt that the topic of the report was not applicable to sole-practitioner firms. This leaves data from 44 firms as presented below.





Approximately half of the respondent firms have only one branch location. The majority of respondent firms employ less than 50 people both nationally and locally.



Almost half of the respondent firms have offices in San Francisco. Other common locations include Oakland, San Jose, Walnut Creek, and Berkeley. This question provides important context to a number of the benefits discussed in this report as the City of San Francisco has some unique requirements for employee benefits compared to the rest of the state; these are discussed later in this report.



# **Monetary Compensation Beyond Salary**

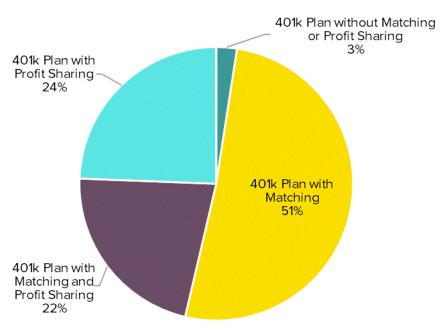


The following section discusses monetary benefits that are in excess of straight salary.

#### **Savings and Retirement Contributions**

Over 90% of respondents offer a firm-sponsored 401k retirement plan. Of the firms that offer 401(k) plans, 51% offer matching contributions, 24% offer profit-sharing contributions, and 22% offer both matching and profit-sharing contributions. Only 3% of firms that offer 401k plans offer neither matching nor profit sharing within the plan. Typically, matching is capped between 3 and 6% of the employee's salary.

#### Firms That Offer a 401k Plan



Approximately 11% of respondent firms provide profit sharing outside of the 401k plan. For the firms providing profit sharing, half have vesting periods, which typically range between 3 and 6 years; the other half have no vesting period.



# **Monetary Compensation Beyond Salary**



#### **Overtime**

Overtime compensation is not required for employees who are considered "exempt", which is a category that applies to most salaried professionals. However, many firms voluntarily provide overtime compensation to exempt employees as a benefit. Approximately 50% of respondent firms provide overtime compensation to a subset of their exempt employees; a total of 36% provide overtime compensation to <u>all</u> exempt employees. For firms that offer overtime compensation, the types of compensation offered are shown below. Note that firms often offer more than one means of overtime compensation.

Nine percent of firms noted that none of their exempt employees work overtime, and therefore they do not compensate for overtime.

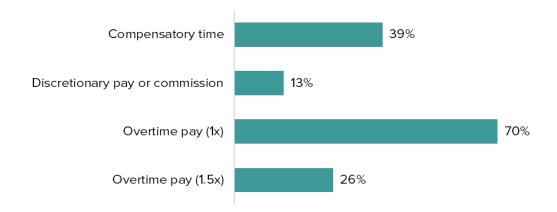
## Definitions per California Labor and Employment Law [1]

#### **Non-exempt Employees**

- Are paid at an hourly rate.
- Are entitled to overtime pay at least 1.5 times their hourly rate.
- Are covered by certain CA worker protections.

#### **Exempt Employees**

- Paid a salary, not an hourly rate.
- Are not entitled to overtime pay.
- Must earn at least two times the CA minimum wage to remain



#### **Types of Overtime Compensation**

**Compensatory time** is overtime that may be taken as extra PTO or vacation days.

**Discretionary pay** is bonus pay based on the judgment of a manager or employer. Commission is bonus pay based on the amount of revenue brought in by an employee.

**Overtime pay (1x)** is overtime pay at the standard hourly rate calculated from an employee's salary (e.g. salary divided by standard hours worked in a year, which is 2080 hours for full time employees).

**Overtime pay (1.5x)** is overtime pay at 1.5 times the standard hourly rate calculated from an employee's salary.

Approximately 40% of firms report having engineering employees who are considered non-exempt. When asked at which level of experience employees change from non-exempt to exempt, the average response was between 4 and 5 years of experience, but the responses varied highly from the "Project Engineer" level to the "Principal" or "Owner" level. Several respondents indicated that employees cross this threshold when they are considered "senior" engineers or have attained their professional license.





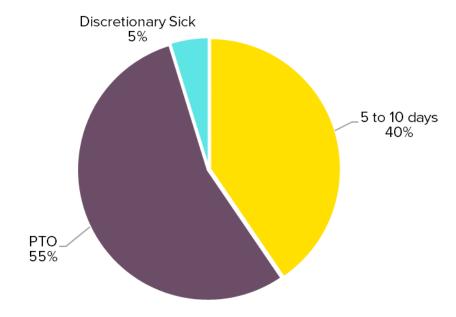
The following section discusses how paid time off (PTO) is addressed.

#### **Sick Leave**

California law requires that employers provide paid sick leave to all employees, including full-time, part-time, and temporary workers <sup>[2]</sup>. Employees must accrue at least one hour of sick leave per 30 hours worked, and a minimum of 24 hours per year. Sick leave may be considered part of any employee's PTO, since California law does not require employers to offer paid vacation.

Respondents were asked to report how many days of sick leave they provide their employees separate from vacation PTO. Two respondent firms did not provide sufficient information for this question, so the numbers in the figure below are shown out of the remaining 42 respondents. About 40% of firms reported offering sick leave, ranging from 5 to 10 days per year. Just over half of respondents noted that an employee's sick leave was considered part of their PTO. 5% of respondents allowed discretionary sick leave, meaning that an employee may take as many sick days as necessary.

**Comparison:** California government employees accrue one day (8 hours) of sick leave per month, or 12 days per year. [3]





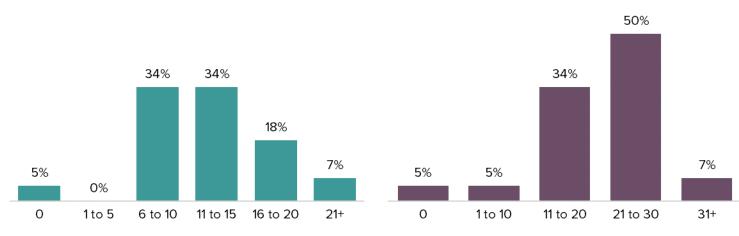


#### **Traditional PTO**

Respondents were asked to provide the minimum and maximum number of days of PTO per year that they offer their employees. The minimum number of PTO days is meant to capture the PTO given to the more junior staff members, while the maximum is meant to capture the PTO given to the most senior employees. For the purpose of this survey, PTO is defined as days off that an employee may take at any time, not including designated company holidays. There are no California laws requiring firms to provide paid or unpaid vacation time. San Francisco does have a Minimum Compensation Ordinance that requires firms to provide both paid and unpaid vacation time if the firm is working on a San Francisco contract [4].

# Minimum number of PTO days/year offered to FTEs

## <u>Maximum</u> number of PTO days/year offered to FTEs



**Definition:** FTE = Full Time Employee

The majority of firm respondents (68%) offer 6 to 15 days of PTO, at a minimum. The most common response is 10 days (15 out of 44 respondents). The average and median responses are 14 and 15 days, respectively, with a standard deviation of about 6 days.

The average and median responses for the maximum number of PTO days are 23.3 and 25 days, respectively. The responses for the maximum number of PTO days vary more widely than the responses for the minimum number of PTO days, with a standard deviation of about 9 days.

**Comparison:** California government employees typically receive between 10 and 23 days of vacation per year depending on their tenure <sup>[3]</sup>.

It is important to note that the firms who offer zero days of PTO are all small firms with less than 20 full time employees, and their responses are zero for both minimum and maximum number of PTO days.





Six firms (13% of respondents) who offer PTO give the same minimum and maximum number of PTO days, indicating that the number of PTO days generally do not increase as employees increase their tenure at their firms.

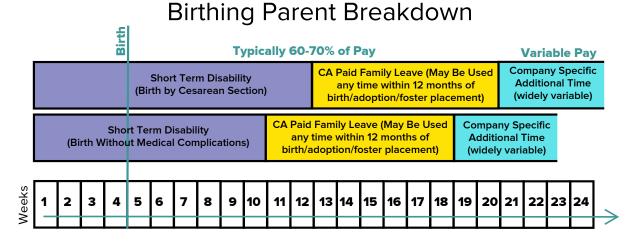
As discussed in the Sick Leave section above, some firms (55% of firm respondents) combine sick leave with traditional vacation PTO. These firms generally make up the higher end of the PTO responses. Nearly 90% of firms who offer separate PTO and sick days provide a minimum of between 6 and 15 days of traditional PTO, with an average of approximately 10 days. Firms who combine PTO and sick days offer on average a minimum of 16.5 days, and nearly 50% offer more than 16 days. The maximum number of PTO days varies in a similar manner between firms who do and do not combine sick days and traditional PTO.

#### **Family and Pregnancy Leave**

There are no federal requirements for pregnancy or family leave (often called maternity, paternity, or parental leave), meaning that offerings vary widely between states. California offers state-wide programs for new parents to take time off before and after bringing a child into their family.

The California State Disability Insurance (SDI) program provides short-term disability (DI) and Paid Family Leave (PFL) benefits. Both DI and PFL are wage replacement benefits available to eligible workers who need time off work to start or grow their families.

The figure below gives a rough understanding of how the different leave programs might accumulate for either a birthing or non-birthing parent, but the duration of each section may vary depending on the circumstances. More information on each specific program is given in the sections to follow.



## Non-Birthing Parent Breakdown







#### **Short-term Disability Insurance (DI)** [5]

Usually, disability benefits due to pregnancy are between 10 to 12 weeks based on the following conditions of the pregnancy and delivery:

- <u>Without medical complications:</u> A birthing parent can receive benefits up to 4 weeks before the baby's expected delivery date and up to 6 weeks after the delivery.
- <u>By cesarean section:</u> A birthing parent can receive benefits up to 4 weeks before the baby's expected delivery date and up to 8 weeks after the delivery.

All DI claims require a physician or practitioner certification, even for the standard pregnancy benefits listed above. A physician or practitioner may also certify a longer disability period if a pregnancy-related condition requires that the birthing parent stop working earlier than four weeks prior to the baby's estimated due date, or if the birthing parent requires a longer recovery period after the birth.

Once a birthing parent has recovered from pregnancy-related disabilities and a licensed health professional has affirmed that they can return to work, they can then file a PFL claim, which would provide an additional 8 weeks of benefits for a parent to bond with their new child (see below for more information).

#### Disability Insurance for Benefits Business Owners and Self-employed Individuals

The California Disability Insurance Elective Coverage (DIEC) program offers business owners and self-employed people the option to protect themselves against loss of income due to injury, pregnancy, or illness, whether or not it is work related.

#### California Paid Family Leave (PFL) Benefits [6]

California's Paid Family Leave (PFL) program provides benefit payments to employees to take time off to bond with their new child. This benefit may be used in addition to the short-term disability (DI) benefits described above for pregnancy.

New biological parents and new parents to a child through foster care or adoption are eligible for Paid Family Leave (PFL) benefit payments if they meet the following three requirements:

- 1. Welcomed a new child into their family in the past 12 months through birth, adoption, or foster care placement.
- 2. Earned at least \$300 from which State Disability Insurance was deducted (noted as "CASDI" on most paystubs) during the period between 5 and 18 months before filing a claim.
- 3. Not taken the maximum 8 weeks of PFL in the past 12 months.

Citizenship and immigration status do not affect eligibility.

The amount and length of pay are dependent on the individual's income, but they are typically about 60 to 70% of the individual's weekly wages (up to a maximum of \$1,620 per week as of publishing) and up to 8 weeks total.



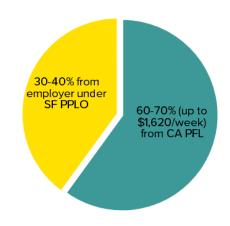


#### City of San Francisco Paid Parental Leave Ordinance [7]

The City of San Francisco requires additional benefits on top of the California PFL program for child bonding through the Paid Parental Leave Ordinance (PPLO). All SF employers with more than 20 full-time employees are required to comply with the PPLO, and employees who work at least 40% of their hours in San Francisco are eligible to benefit.

The San Francisco-specific PPLO program integrates with the California PFL program by requiring that companies supplement the income provided by the state PFL to 100% of the employee's salary, up to a maximum of \$2,567 per week total (as of publishing). For clarity, 60-70% of a parent's wages are covered by California PFL (up to \$1,620 of weekly wages) and the remaining 30-40% of wages must then be supplemented by a San Francisco employer, up to the total cap of \$2,567 per week.

#### Family Leave Benefits in San Francisco



#### What benefits are firms providing?

Due to the complicated and varying nature of pregnancy and family leave, the survey was not able to effectively capture how many firms structure their leave benefits beyond understanding whether or not firms participated in the state programs and how much leave they offer.

More than half of the respondent firms reported using the state leave programs to provide family and pregnancy leave benefits. Approximately 40% of firms offer either their own leave benefits or additional leave on top of the state programs.

The amount of additional leave offered varies extremely widely, from one to twelve extra weeks above the state requirements for pregnancy leave (birthing parent), and between 1 and 8 extra weeks for family leave (either parent).



#### **Additional Benefits**



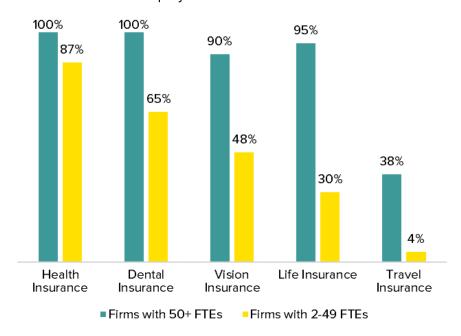
We also asked firms about a number of additional benefits that they may offer their employees. Their responses included insurance benefits, financial assistance benefits, personal assistance benefits, as well as professional development benefits.

#### **Insurance**

Some of the most important and common employee benefits offered are insurance benefits such as health insurance, life insurance, and long-term disability insurance.

At the time of publishing, the Affordable Care Act (ACA) requires employers with 50 or more full-time employees (FTE) to provide insurance meeting the ACA requirements to their employees. Of the respondent firms, 87% (20 out of 23) of the firms with 2 to 49 employees offer health insurance benefits.

Dental, vision, and life insurance benefits are not regulated by the ACA; however, all firms with over 50 employees and 65% of firms with 2 to 49 employees offer dental insurance benefits.



Of the firms that offer health insurance benefits to their employees, many report offering more than one health insurance option (83%), insurance options for spouses of employees (87%), insurance options for domestic partners of employees (66%), and long-term disability insurance (73%). Approximately 88% of firms that report offering health insurance also reported mental health coverage benefits. About 13% of respondent firms reported offering mental health benefits through paid days off.

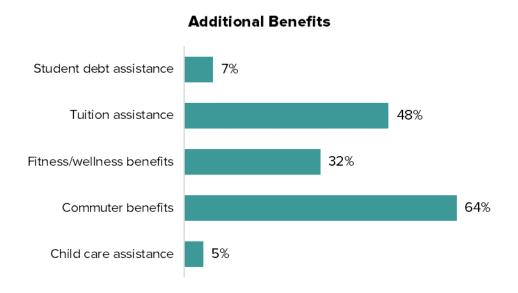


#### **Additional Benefits**



#### **Additional Financial Assistance Benefits**

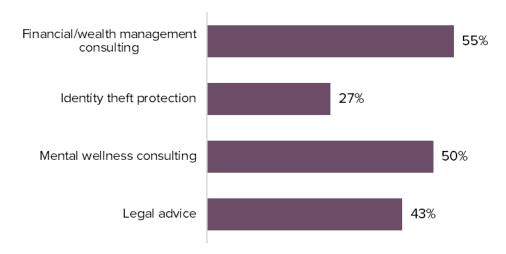
Some firms provide financial assistance to their employees by subsidizing common high-cost burdens such as student debt or tuition, gym memberships, commuting costs, and childcare. The chart below shows the percentage of respondent firms that provide each type of benefit. Over 80% of firms offer at least 1 of the above benefits, and more than half offer at least 2. No respondent firms offer all of the benefits listed.



#### **Personal Assistance Benefits**

In addition to direct financial assistance, many firms offer access to counseling and advising services for their employees. The chart below shows the percentage of respondent firms providing each type of benefit. Over 60% of firms offer at least 1 of the above benefits, and half offer at least 2. Almost a quarter of respondent firms offer all of the benefits listed.

#### **Personal Assistance Benefits**





#### **Additional Benefits**



#### **Professional Development Benefits**

Many employers also report providing a variety of professional development benefits, as shown below. Close to 70% of respondent firms report offering all of the professional development benefits listed below, and on average, respondents offer at least 6 of the 7 benefits.

#### **Professional Development Benefits**



Note that the survey was administered prior to the announcement that the SE exam will transition to Computer Based Testing starting in 2023, which will increase not only the base cost of the exam, but also the length and number of sittings, requiring more time off for employees looking to gain an SE license. The survey did not ask about whether time off to take exams is counted against employees' PTO.



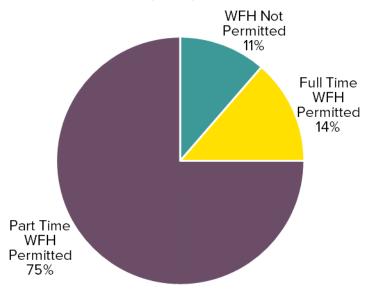
## **Work Flexibility**



Finally, we asked respondents a series of questions related to their work flexibility policies and outlook. As the survey was administered at the beginning of 2022, many firms were beginning to return back to the office after the height of the Covid-19 pandemic.

Approximately 39% of respondents reported allowing employees to work from home regularly before the pandemic, and 80% of firms responded that they would allow employees to work from home regularly once pandemic restrictions were lifted. Of these 39 firms, 14% reported that they would allow permanent remote work after the pandemic, while the remainder of the firms reported that they would allow between 1 and 4 days per week of remote work.

#### Work from Home (WFH) Policies Post-Covid



About 91% of respondent firms permit flex-time (i.e. working outside of the standard business hours schedule of approximately 9am to 5pm). Roughly 55% of firms report allowing alternative schedules such as four-tens (working only 4 days per week, 10 hours each day) or nine-eighty (working 80 hours over 9 days, often taking every other Friday off), which allows employees to remain full time with added flexibility.



#### References



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- 2. "How to Comply with California's Paid Sick Leave Requirements" (2022). Society for Human Resource Management. (November 1, 2022)
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- 7. "Understanding the Paid Parental Leave Ordinance" City and County of San Francisco, <a href="https://sf.gov/information/understanding-paid-parental-leave-ordinance">https://sf.gov/information/understanding-paid-parental-leave-ordinance</a> (March 30, 2023).

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