

Calculating The Hourly Rate

Highest service technician wages: \$ _____ per hour (A)

Benefits add on:

FICA (0.062 X A) \$ _____
 Medicare (0.0145 X A) \$ _____
 Federal Unemployment (0.008 X A) \$ _____
 State Unemployment (Your State Rate X A) \$ _____
 Sick days (# of days X 8 X A)/2080 \$ _____
 Vacation days (# of days X 8 X A)/2080 \$ _____
 Holidays (# of days X 8 X A)/2080 \$ _____
 Training/meetings (# of days X 8 X A)/2080 \$ _____
 Retirement (yearly maximum match/2080) \$ _____
 Uniforms (price per week/40) \$ _____
 Worker's Comp (% X A) \$ _____
 Health insurance (monthly cost X 12)/2080 \$ _____

Total benefits cost per hour: \$ _____ per hour (B)

Truck costs:

Monthly truck payments (monthly interest or lease cost X 12)/2080 \$ _____
 Gas, oil and maintenance (monthly cost X 12)/2080 \$ _____
 Repairs annual cost/2080 \$ _____
 Inventory amount on truck/2080 \$ _____
 Tools amount on truck/2080 \$ _____
 Depreciation/replacement yearly cost/2080 \$ _____*
 Insurance (monthly cost X 12)/2080 \$ _____
 Radio-telephone-pagers (monthly cost X 12)/2080 \$ _____
 License tags yearly cost/2080 \$ _____
 Parking fees-tolls yearly cost/2080 \$ _____
 Taxes yearly cost/2080 \$ _____

* If leasing, this cost is included in the lease so put 0 here

Total Truck cost per hour \$ _____ (C)

Hourly rate before productivity add on (A + B + C) \$ _____ (D)

Number of billable hours per year _____ (E)

Billable percentage (E)/2080 _____ (F)

Hourly rate before gross profit D/F (if F is greater than 1 use 1) \$ _____ (G)

Desired gross profit (in decimal) _____ (H)

Hourly Rate: $\frac{G}{1.00 - H}$ _____ (I)

Any questions? Contact Jim Travers at (781) 273-2050

