

### Identity & Scope

**Legal Name:** Smith Manufacturing LLC**Candidate / Employee:** John Smith**Effective Date:** 2025-12-31**Hours/week (FTE):** 40 (1.00 FTE)**As of:** December 2025**DBA Name:** Smith Bros**Occupation (SOC):** Industrial Engineers (SOC 17-2112)**OEWS/MSA Year:** 2024**Payment Frequency:** Semimonthly**Package benefits load:** 30% of base pay**EIN:** 12-3456789**Area:** Fort Wayne, IN**Benchmark benefits markup:** Not applied**Source Type:** MSA**Industry (NAICS bucket):** manufacturing

### HR Approval Summary

**PROPOSED BASE PAY****\$70,000**

Proposed base pay (\$70,000) is approximately near the displayed P10 for this role and area.

**MARKET ANCHOR****P10**

\$67,486 for Fort Wayne, IN

**BUDGET STATUS****Within**

\$65,000 - \$70,000 requisition range

This memo supports HR compensation approval using market benchmark data, role-specific responsibilities, and entered internal approval context.

### Nowcast vs Baseline\*

**OEWS baseline (May 2024 wage period):** \$64,150 (annual P10)**Current projection (as of December 2025):** \$67,486 (same percentile)

OEWS baseline labels refer to the wage reference period, not the later BLS publication date.

| Index | Series / Notes                                     | Factor | Weight     |
|-------|--|--------|------------|
| ECI   | ECI_MANUFACTURING_ALL_EMP                          | 1.047x | 78% weight |
| AHE   | AHE_SUPERSECTOR_MANUFACTURING vs AHE_TOTAL_PRIVATE | 1.068x | 22% weight |

Locality adjustment not applied (using area baseline).

\*Nowcast reliability note: As-of month is 19 months from the OEWS baseline.

### Compensation Percentiles

| Percentile          | Hourly         | Annual (×2,080) | RSE         |
|---------------------|----------------|-----------------|-------------|
| <b>Entry (10th)</b> | <b>\$32.45</b> | <b>\$67,486</b> | <b>0.9%</b> |
| Junior (25th)       | \$38.15        | \$79,352        | 0.9%        |
| Mid (50th)          | \$43.55        | \$90,577        | 0.9%        |
| Senior (75th)       | \$52.24        | \$108,661       | 0.9%        |
| Top (90th)          | \$66.62        | \$138,570       | 0.9%        |

## HR Compensation Approval Context

**Department / Team:** Engineering  
**Hiring Manager:** Joan Smith  
**Job Level / Grade:** Associate I  
**Candidate Status:** New hire  
**Work Arrangement:** Onsite  
**Selected Market Positioning:** Entry (10th) benchmark

### Approval rationale:

The proposed compensation for the entry-level Industrial Engineer aligns with the 10th percentile of the market rate, reflecting our commitment to attract top talent in the competitive manufacturing sector. This level is appropriate given the candidate's qualifications and the role's requirements, ensuring we remain compliant with internal compensation policies while effectively supporting our engineering team.

### Internal equity notes:

The proposed compensation for the entry-level Industrial Engineer is consistent with internal equity standards, ensuring parity with peers in similar roles within the Engineering department. This alignment reinforces our commitment to maintaining equitable pay structures and supports retention and morale across the team. By adhering to our established compensation framework, we can confidently integrate this new hire into our workforce.

## Job Description (role summary)

### Role-specific bullets (from hiring team)

- Analyze production processes to identify inefficiencies and recommend improvements for optimal performance.
- Collaborate with cross-functional teams to develop and implement engineering solutions that enhance productivity.
- Conduct data analysis to support decision-making in manufacturing operations and process design.
- Assist in the development of project plans, timelines, and resource allocation for engineering initiatives.
- Support the evaluation and selection of equipment and technologies to improve manufacturing capabilities.

### Reference bullets (BLS/OOH)

- OEWS percentile benchmarks are shown in the table above for this role and area.
- [OOH reference: https://www.bls.gov/ooh/architecture-and-engineering/industrial-engineers.htm](https://www.bls.gov/ooh/architecture-and-engineering/industrial-engineers.htm)

## Chosen Salary & Assumptions

**Proposed base pay:** \$70,000

Proposed base pay (\$70,000) is approximately near the displayed P10 for this role and area.

**Requisition / budgeted range:** \$65,000 - \$70,000

Offer vs budgeted range: within

### Adjustments:

The compensation adjustment for the entry-level Industrial Engineer reflects current market pressures in the manufacturing sector, particularly as demand for skilled engineers continues to rise. This adjustment is timely to ensure we attract qualified candidates while adhering to our internal compensation framework. By positioning the salary at the 10th percentile, we maintain competitiveness while balancing budgetary constraints.

### Adjustment factors (selected):

- Scarce skills / niche experience
- Leadership potential

## Comp Package Breakdown

| Component                                       | Treatment   | Amount          |
|---|---|-----------------|
| Base pay  | Recurring   | \$70,000        |
| Target bonus                                    | Recurring (3% of base)  | \$2,100         |
| Commission / OTE target                         | Recurring (annual target)   | —               |
| <b>Estimated W-2 wages (base + incentives)</b>  | <b>Primary cash wage subtotal (modeled)</b>                           | <b>\$72,100</b> |
| Non-wage employer costs (benefits on base only) | 30% of base   | \$21,000        |
| Equity (annualized)                             | Recurring   | —               |
| Sign-on bonus                                   | One-time  | —               |
| Retention bonus                                 | One-time  | —               |
| <b>Recurring total comp context</b>             | <b>Cash wages + non-wage employer costs + recurring variable comp</b> | <b>\$93,100</b> |
| One-time comp total                             | Sign-on + retention   | \$0             |
| <b>Estimated first-year total comp context</b>  | <b>Recurring total comp context + one-time</b>                        | <b>\$93,100</b> |

### Other compensation note:

In addition to the base salary, this entry-level Industrial Engineer position includes a relocation allowance to facilitate the candidate's transition to the onsite work environment. Furthermore, the role is eligible for a performance-based bonus plan, which aligns with our strategy to incentivize and reward contributions to project success within the Engineering department.

W-2 wages shown reflect modeled cash compensation inputs; actual W-2 may vary based on plan terms and timing. Package benefits are included only in total compensation context, not W-2 wages.

## Approver Sign-off

**Approved by:** Joan Smith, Head of HR

**Date:** 2026-01-16

**Notes:** Approved by head of HR for engineering department.

## Methodology & RSE

Wage percentiles are from the U.S. Bureau of Labor Statistics **Occupational Employment and Wage Statistics (OEWS)** for the selected occupation and area. Hours/week are used to scale annual wages proportionally from the OEWS full-time baseline (40 hours/week). Package benefits load, if shown, is applied only to base pay in the compensation package/modeling table.

90% CI ~ \$67,486 +/- 1.6 x (0.9% x \$67,486) -> [\$66,514, \$68,458]

## BLS Footnotes

1. Estimates for detailed occupations do not sum to the totals because the totals include occupations not shown separately. Estimates do not include self-employed workers.
2. Annual wages have been calculated by multiplying the corresponding hourly wage by **2,080 hours**.
3. The relative standard error (RSE) is a measure of the reliability of a survey statistic. The smaller the relative standard error, the more precise the estimate.

### Sources

- [BLS — Occupational Employment and Wage Statistics \(OEWS\)](#)
- [OEWS tables & documentation](#)
- [BLS — Occupational Outlook Handbook \(OOH\)](#)