




JAN 10 2020

MEMORANDUM FOR: REGIONAL ADMINISTRATORS

THROUGH:

LOREN SWEATT 
Principal Deputy Assistant Secretary

FROM:


PATRICK J. KAPUST, Acting Director
Directorate of Enforcement Programs

SUBJECT:

2020 Annual Adjustments to OSHA Civil Penalties

I. Purpose.

The penalty information included in this memorandum is intended to supplement the penalties and debt collection information found in Chapter 6 of the Field Operations Manual (FOM). Tables included in this Memorandum reflect penalty amounts for calendar year 2020, and correspond to penalty amounts found in OSHA Information Systems (OIS). This information will be updated annually to ensure access to current penalty information.

II. Background.

On November 2, 2015, former President Barack Obama signed the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, which further amended the Federal Civil Penalties Inflation Adjustment Act of 1990 as previously amended by the 1996 Debt Collection Improvement Act (collectively, the "Prior Inflation Adjustment Act"), to improve the effectiveness of civil monetary penalties and maintain their deterrent effect. The Inflation Adjustment Act required agencies to: (1) adjust the level of civil monetary penalties with an initial "catch-up" adjustment through an interim final rule (IFR); and (2) make subsequent annual adjustments for inflation, no later than January 15 of each year.

The cost-of-living adjustment multiplier for 2020, based on the Consumer Price Index for All Urban Consumers (CPI-U) for the month of October 2019 (not seasonally adjusted), is **1.01764**. To compute the 2020 annual adjustment, the Department multiplied the most recent penalty amount for each applicable penalty by the multiplier, 1.01764, and rounded to the nearest dollar.

The adjustment factor of 1.01764 will remain consistent across the minimum and maximum penalties set forth in the Occupational Safety and Health Act and the FOM. Specific penalty amounts, as of January 15, 2020, are detailed in the charts.

III. Minimum and Maximum Penalty Amounts.

Table 1 summarizes the minimum and maximum amounts for proposed civil penalties:

Table 1: Maximum and Minimum Amounts for Civil Penalties

Type of Violation	Penalty Minimum	Penalty Maximum
Serious	\$964 per violation	\$13,494 per violation
Other-Than-Serious	\$0 per violation	\$13,494 per violation
Willful or Repeated	\$9,639 per violation	\$134,937 per violation
Posting Requirements	\$0 per violation	\$13,494 per violation
Failure to Abate	N/A	\$13,494 per day unabated beyond the abatement date [generally limited to 30 days maximum]

IV. Gravity Based Penalty Amounts.

The gravity of a violation is defined by the Gravity Based Penalty (GBP).

- A **high gravity** violation is one with a GBP of \$13,494.
- A **moderate gravity** violation is one with the GBP ranging from \$7,711 to \$11,566.
- A **low gravity** violation is one with a GBP of \$5,783.

For serious violations, the GBP shall be assigned on the basis of the following scale in Table 2:

➤ **Severity + Probability = GBP**

Table 2: Serious Violations

Severity	Probability	GBP	Gravity	OIS Code
High	Greater	\$13,494	High	10
Medium	Greater	\$11,566	Moderate	5
Low	Greater	\$9,639	Moderate	5
High	Lesser	\$9,639	Moderate	5
Medium	Lesser	\$7,711	Moderate	5
Low	Lesser	\$5,783	Low	1

For other-than-serious violations, there is only minimal severity.

Table 3: Other-Than-Serious Violations

Severity	Probability	GBP
Minimal	Greater	\$1,000 - \$13,494
Minimal	Lesser	\$0

V. Serious Willful Penalty Reductions.

The reduction factors for size for serious willful violations shall be applied as shown in Tables 4 and 5:

Table 4: Serious Willful Penalty Reductions

Employees	Percent reduction
10 or fewer	80
11-20	60
21-30	50
31-40	40
41-50	30
51-100	20
101-250	10
251 or more	0

- The reduction factor for history shall be applied.
- The proposed penalty shall then be determined from Table 5.

Table 5: Penalties to be Proposed for Serious Willful Violations

Total percent reduction for size and/or history	High Gravity	Moderate Gravity	Low Gravity
0%	\$134,937	\$115,657	\$96,386
10%	\$121,443	\$104,091	\$86,748
20%	\$107,949	\$92,526	\$77,109
30%	\$94,455	\$80,959	\$67,471
40%	\$80,961	\$69,393	\$57,831
50%	\$67,469	\$57,840	\$48,193
60%	\$53,976	\$46,263	\$38,554
70%	\$40,482	\$34,697	\$28,915
80%	\$26,987	\$23,131	\$19,278
90%	\$13,494	\$11,566	\$9,639

If you have any questions regarding the above, please contact Arthur Buchanan in the Directorate of Enforcement Programs at (202) 693-1850.