



## OSHA Implements 2017 Annual Penalty Adjustment

U.S. Department of Labor

Occupational Safety and Health Administration  
Washington, D.C. 20210



Reply to the attention of:

JAN 13 2017

**MEMORANDUM FOR:**

REGIONAL ADMINISTRATORS  
STATE DESIGNEES

**FROM:**

JORDAN BARAB  
Acting Assistant Secretary

**SUBJECT:**

Implementation of the 2017 annual adjustment pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvement Act of 2015

On November 2, 2015, Congress enacted legislation requiring federal agencies to adjust their civil penalties to account for inflation. The Department of Labor is adjusting penalties for its agencies, including the Occupational Safety and Health Administration (OSHA).

Based on the guidance published by the Office of Management and Budget (OMB) on December 16, 2016, OSHA must apply an annual adjustment for inflation to its established penalties and make subsequent annual adjustments. The adjustment factor is **1.01636** which is based on the Consumer Price Index (CPI-U) for the month of October 2016.

The adjustment factor of **1.01636** shall be applied to all minimum and maximum penalties set forth in the OSH Act and Field Operations Manual (FOM). For example, OSHA's current maximum penalty for a *Serious* violation is **\$12,471.00**; following the application of the current adjustment factor ( $\$12,471.00 \times 1.01636$ ), the new maximum penalty for a *Serious* violation will be **\$12,675.00**. Please see the Attachment for specific new penalty changes.

# SafeALERT



ORCPG 2017 SafeAlert Series

This memorandum revises the guidance in the FOM, specifically Chapter 6, *Penalties and Debt Collection* to address these adjusted penalty changes. OSHA will continue to follow its existing procedures for applying penalty adjustment factors, such as size, history, and good faith. Additionally, the OSHA Information System (OIS) will be updated by January 15, 2017 to reflect the penalty increase due to the inflation adjustment factor. Lastly, the penalty adjustment for calendar year 2016 was not corrected to the gravity based penalties (GBPs) for all violations of Part 1904. To correct this oversight, both the CY 2016 base adjustment and the CY 2017 annual adjustment will now be applied to the GBPs for violations of Part 1904.

If you have any questions regarding the above, please contact the Directorate of Enforcement Programs at (202) 693-1850. In addition, for questions concerning the construction industry, please contact the Directorate of Construction at (202) 693-2020.

Attachment  
Penalty Chart

### OSHA Penalties as of January 15, 2017

Type of Violation	Current Maximum Penalty	New Maximum Penalty
Serious Other-Than-Serious Posting Requirements	\$12,471 per violation	\$12,675 per violation
Failure to Abate	\$12,471 per day beyond the abatement date	\$12,675 per day beyond the abatement date
Willful or Repeated	\$124,709 per violation	\$126,749 per violation

