

HVAC Labor Rate Worksheet

Work out what one billable hour has to sell for. Fill in the right hand column and follow the arithmetic down.

- A full time position is paid for 2080 hours a year. Billable hours are always fewer, and the gap is the whole point of this sheet.
- Burden is payroll tax, workers comp, paid time off and benefits, as a percentage of the wage.
- Overhead is everything that gets paid whether or not you invoice that month: truck, fuel, insurance, software, licenses, advertising.
- The last step uses margin, not markup. Price = cost / (1 - margin). Using cost x (1 + margin) is the expensive mistake.
- Arithmetic, not market rates. Every figure on this sheet comes from numbers you fill in. Nothing here is an industry average, because what an h

Step	What it is	How to work it out	Your number
A	Hourly wage	What lands in the hand, per hour	
B	Burden %	Payroll tax, comp, PTO, benefits	
C	Loaded wage	$A \times (1 + B / 100)$	
D	Billable hours per week	Not 40. Wrench time only	
E	Billable hours per year	$D \times 52$	
F	Wage cost per billable hour	$C \times 2080 / E$	
G	Monthly overhead	Everything paid whether or not you invoice	
H	Overhead per billable hour	$G \times 12 / E$	
I	Cost per billable hour	$F + H$	
J	Target margin %	What you want to keep, not what you add on	
K	Price per hour	$I / (1 - J / 100)$	

Arithmetic, not market rates. Every figure on this sheet comes from numbers you fill in. Nothing here is an industry average, because what an HVAC contractor should charge is decided by his own costs and his own market, not by a national number.