

OSHA applies four primary adjustment factors to a base penalty—determined by the "gravity" of the hazard—to reach a final citation amount. As of **July 14, 2025**, updated guidelines significantly expanded these reductions, particularly for small businesses.

## 1. Employer Size (Up to 70% Reduction)

This is often the most substantial reduction and is based on the maximum number of employees at all company locations nationwide during the previous 12 months.

- **1–25 Employees: 70% reduction** (expanded from the previous 10-employee threshold).
- **26–100 Employees: 30% reduction.**
- **101–250 Employees: 10% reduction.**
- **251+ Employees:** No size-based reduction.

## 2. Good Faith (Up to 25% Reduction)

Reductions are granted if the employer demonstrates a genuine commitment to workplace safety.

- **25% Reduction:** Requires a comprehensive, written safety and health management system (e.g., training logs, safety meetings, and hazard assessments).
- **15% Reduction:** May be given if the safety system has only "incidental deficiencies".
- **Small Business Exception:** In some cases, businesses with 1–25 employees can receive a full reduction even if their effective safety system is not fully documented in writing.

## 3. History (20% Reduction)

Employers can receive a **20% reduction** if they have a clean compliance record.

- **Criteria:** No "serious," "willful," "repeat," or "failure-to-abate" violations within the past **five years**.
- **New Businesses:** Companies that have never been inspected by federal or state OSHA are also eligible for this 20% credit.

## 4. "Quick-Fix" (15% Reduction)

This incentive encourages immediate hazard correction during or shortly after an inspection.

- **Action:** The hazard must be permanently corrected within **5 calendar days** of the inspector identifying it.

- **Restrictions:** This does **not** apply to high-gravity, willful, or repeat violations, or those involving fatalities/serious injuries.

### **Critical Limitations**

- **Serial Calculation:** Reductions are applied one after another (e.g., Size, then Good Faith, then History), rather than added together into one large percentage.
- **Discretionary Withholding:** OSHA Area Directors can withhold any reduction if they believe it would weaken the "deterrent effect" of the penalty, such as in cases of severe injuries or recordkeeping fraud.
- **Violation Type:** Willful violations generally only qualify for size and history reductions, while repeat violations only qualify for size reductions