

Twelve Steps To Compliance

1. **Use the Correct Prevailing Wage Determination**

The Division of Labor Statistics and Research (DLSR) publishes prevailing wage rates twice per year; in February and August. The new wage rates become effective on the first day of the following month, March 1st and September 1st. The correct publication for your project is the determination in effect at the time your project was advertised. Also, planned increases occur throughout the year and are posted on the Department of Industrial Relations Web site at www.DIR.ca.gov/PWD.

2. **Pay Wage Increases Where Applicable: Double Asterisk vs. Single Asterisk**

Each classification and wage rate has a predetermined expiration date. A single asterisk following the expiration date means that the wage rate stays the same throughout the life of the project. A double asterisk means that the worker receives any increase occurring during the life of the project. Prior to bidding, check the above referenced web site and include any planned increase.

3. **Use the Correct Classification for the Work Being Performed**

Prevailing wage rates are duties based. This means that the correct classification is determined by the actual duties performed by the worker and not the worker's skill level or tenure in the trade. The DLSR publishes scopes of work for each classification. This is the guide that determines which classification and wage rate a worker receives.

4. **Establish a Regular Pay Day and Issue Wage Statements**

Workers must be paid no less than every two weeks. However, Certified Payroll Records (CPR's) are due weekly. Each pay check (cash payment, money order or any instrument used to effect payment) must be accompanied by an itemized wage statement which shows rate of pay, hours worked, all deductions and year to date earnings.

5. **Post the Prevailing Wage Determination in a Central Location for All Workers to View**

Workers must be able to view and have access to the prevailing wage determination which applies to the project for which they are performing work.

6. **List all Employees Present on Project on Certified Payroll Record**

Exempt and non-exempt personnel and owners must be reported on weekly CPR's. Classification, hours worked each day, rate of pay, deductions and check number must be reported as well. Every individual on the project performing a trade or using the tools of the trade must be paid the corresponding wage rate. Superintendents, Project Managers and other supervisory personnel are exempt provided they are not engaging in any trade. Report the hours worked each day and indicate "salary" or "exempt" in the rate pay section for all supervisory personnel.

7. **Owners Must be Reported**

The hours and days worked by owners or the license holder must be reported on CPR's. Owners engaging in the duties of a trade are not exempt and must show that they are receiving the stipulated wage rate. Owners are classified as those persons listed on the Contractors State License Board license.

8. **Owner Operators Must be Licensed**

Those individuals who own and operate equipment must be licensed as an owner operator and must be the registered owner of the equipment in use on the project. The hours and days of work must be reported as well.

9. Reflect Changes in Duties

If the duties or classification of a worker change during the course of a week ending and/or day, these changes must be properly reflected on CPR's. For example, if worker digs trenches in the morning and repairs a water line in the afternoon, this worker should be reported as a Group I Laborer for the time spent trenching and a plumber for the time spent repairing the water line.

10. Monitor Subcontractors

The prime contractor is responsible for the activities of the subcontractor. Therefore, collect and review each subcontractor's CPR's and maintain a copy for your records. Question any inconsistencies and request proof of payment of prevailing wage rates when necessary.

11. Correct Errors and Oversights

If the incorrect wage is paid due to mistake or inadvertence the matter must be corrected immediately upon becoming aware of the error. By taking immediate action it is possible to resolve the issue without assessing penalties.

12. Ask for Clarification

If you are not sure of the correct rate of pay, scope of work, or determination applicable to your worker or project please ask the Labor Compliance Officer assigned to your project.