
CHAPTER 6: WAGES AND PAYROLLS

6.1 GENERAL INFORMATION

6.1.1 Purpose

Contractors that perform work on **Davis-Bacon Act** (DBA) covered projects must pay wages in accordance with those predetermined by the Secretary of the United States Department of Labor (USDOL). This chapter offers guidance and information surrounding the requirements of payment of predetermined wages, record keeping and overtime requirements. Contracting agencies must monitor and keep records of payments to employees as required by law.

Additionally, this chapter provides a uniform process for reviewing and processing contractor payroll submittals, conducting labor interviews, issuing violations and adding wage classifications to the contract. As applicable, information concerning other labor laws and regulations is also provided.

6.1.2 Scope

Contract wage requirements are included in every federally funded FDOT construction contract award of \$2,000 or more. These requirements apply to the prime and every level (tier) of subcontract, regardless of the amount of the subcontract.

The “government contract acts” (**Davis-Bacon Act, the Copeland Act and the Contract Work Hours and Safety Standards Act**) regulate payment of wages, record keeping and reporting, and overtime pay respectively on these contracts. Compliance with these “government contract acts” is enforced on a day-to-day basis by the FDOT, as the contracting agency.

FDOT contracts which require compliance with the “government contract acts” include Special Provision Sub-article 7-1.1 which invokes the FHWA 1273, “Required Contract Provisions- Federal-Aid Construction Contracts.” Also included in the Special Provisions of these Federal-Aid contracts is Sub-article 7-16, “Wage Rate for Federal-Aid Projects” which specifies the wage table(s) applicable to the specific contract. All FDOT contracts include Standard Specification 7-1, which requires adherence to all applicable laws; (federal, state and local).

Guidance for FDOT’s in-house procedures for monitoring this area of compliance is contained in the latest version of the Construction Project Administration Manual (CPAM).

All FDOT projects are governed by the **Fair Labor Standards Act** (FLSA) which requires that a minimum wage, overtime pay, and child labor standards be met. FLSA is enforced directly by the USDOL.

6.1.3 State and Federal Minimum Wage

The State of Florida has a minimum wage law. This rate is reviewed annually for modification based upon inflation and cost of living. A new rate typically goes in effect on January 1st of each year.

State and Federal minimum Wages are summarized in Table 6.1.3.1

Florida Minimum Wage		Federal Minimum Wage	
Effective Beginning:	Hourly Minimum	Effective Beginning	Hourly Minimum
January 1, 2018-Present	\$8.25		
January 1, 2017	\$8.10		
January 1, 2015-2016	\$8.05		
January 1, 2014	\$7.93		
January 1, 2013	\$7.79		
January 1, 2012	\$7.67		
June 1, 2011	\$7.31		
January 1, 2010	\$7.25		
		July 24, 2009	\$7.25
January 1, 2009	\$7.21		
		July 24, 2008	\$6.55
January 1, 2008	\$ 6.79		
		July 24, 2007	\$5.85
January 1, 2007	\$ 6.67		

Florida’s minimum wage law applies to workers on all FDOT construction projects, federal-funded, and state (Non-FAP) funded.

When the Florida minimum wage is higher than a required minimum rate on a Wage Determination, for a federally funded construction project, the Florida minimum wage must be paid. Compliance personnel, on FDOT federally funded construction projects, may issue a **Notification of Payroll Violation Form 700-010-59** for a code four violation (hourly rate paid is less than minimum authorized), in the event workers are paid less than Florida’s minimum. If the violation is not resolved within 20 days of the Notification, a Performance Deficiency letter will be issued, and the monthly estimate will be withheld.

The State Attorney General's office will be informed of the contractor's failure to correct the underpayment of Florida's minimum wage.

6.1.4 Requirements

The following elements comprise the contractor's responsibility involving wage compliance for Federal-Aid contracts:

Wage Determinations – The prime contractor, as outlined in Section 6.3 of this chapter "Requesting Additional Wage Classifications," must request approval of classifications and wage rates for classifications of work not covered by the applicable Wage Determination(s).

Reporting and Recordkeeping – Contractors must submit weekly-certified payrolls and statements of compliance as required. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of work and preserved for three years following the project's completion date, for all laborers and mechanics working at the site of the work.

Overtime Payments – All overtime hours (all those over 40 in a workweek) shall be paid at rates no less than 1.5 times the employee's basic rate of pay. Contractors are required to pay "laborers or mechanics" overtime for any hours over 40 in a workweek.

Deductions – Pursuant to the **Copeland Act**, any deduction from employee's pay must meet specified requirements and the contractor/subcontractor must request and receive USDOL approval for payroll deductions unless such deductions are specifically listed as not needing such approval (see Table 6.5.3.1 for listing). Deductions from employee pay must conform to the requirements of the **Copeland Act**, including documented approval where required.

Local Agency Projects—Federal-aid construction projects on roadways functionally classified as local roads or rural minor collectors could be exempt to the requirements of **Davis-Bacon**. This would depend on the funding. If you think that your project may be exempt, you should check with the State Wage Rate Coordinator or your District Contract Compliance Manager.

Emergency Repair Work—Davis-Bacon requirements do apply to emergency repair work that is performed by contractors or subcontractors using the Force account method. It does not apply to work that is performed by State or Local government forces because such agencies are not considered contractors.

6.2 WAGE DETERMINATIONS

6.2.1 Purpose

A "Wage Determination" (WD) is the listing of wage rates and fringe benefit rates for each classification of laborers and mechanics which the Administrator of the Wage and Hour

Division of the U. S. Department of Labor has determined to be prevailing in a given area for a particular type of construction (e.g., building, heavy, highway, or residential). The term Wage Determination includes not only the original decision but also any subsequent decisions modifying or superseding, correcting, or otherwise changing the rates and scope of the original decision.

There are two types of Wage Determinations issued: General Wage Determinations and Project Determinations. General Wage Determinations, also known as area determinations, are predetermined wages set by USDOL to be prevailing in a specific geographic area. General Wage Determinations contain no expiration date and are effective from their date of publication. Once assigned to a contract, this project determination or WD will not change for the life of the contract, unless major changes happen to the scope of the work. The other is Project Determinations which are issued at the request of a contracting agency and are applicable to the specific contract or project to which it was originally assigned. The project wage determination expires 180 calendar days from the date of issuance unless an extension of the expiration date is requested and approved by the Wage and Hour Division. If such a determination is not used in the period of its effectiveness, it is void.

One contract may include multiple Wage Decisions based on the type of construction, the location/county of the work, and certain critical contract dates. They may or may not contain fringe benefits in addition to the basic rates of pay for individual classifications.

The most current version of the wage table is locked in at a date ten (10) days prior to the letting. If a contract is not awarded within ninety (90) days after the bid letting (i.e., bid opening) then the most current modification of the Wage Determination will be applied to that contract, unless USDOL has granted the specific contract an extension to this 90-day rule. (See Table 6.2.3.1)

If an incorrect Wage Determination has been incorporated in a contract, the valid Wage Determination will be incorporated retroactive to the beginning of construction through supplemental agreement or other method as specified by FDOT or Local Agency.

6.2.2 Wage Determinations Based on Type of Construction

Wage Determinations will carry a title, which identifies the state, year and number of the WD. For example:

“General Wage Decision Number FL20210164”, FL – state, 2021 – year and 0164 is the number signifying the area the table is effective and the type of construction that it covers. In this case 0164 is Highway Construction for Duval County.

There are four (4) major types of construction addressed on these WDs. They are:

Highway – this is used for most of FDOT’s projects. It includes the construction of roads, small bridges, bridges not over commercially navigable waterways, taxiways in airports,

parking lots which are not incidental to building construction, and storm sewers/drainage work which are incidental to road construction.

Heavy – this category is one of a “catch all” nature. It includes those types, which are not covered by the other three categories. FDOT projects, which contain these, are mostly large marine bridges over commercially navigable waterways, dredging projects, jetties, pumping stations and sewage collection and disposal lines, sewer lines, and water mains. Other examples of this type of construction are dams, powerhouses, railroad construction, and tunnels.

Building – covers most any building structure except those that are residential in nature that are 4 stories or less.

Residential – includes construction of all single family or apartment buildings designed which are not over four (4) stories high.

Note: that in the above definitions, the examples given for the types of construction are only some of the examples given by United States Department of Labor (USDOL). Sometimes when other types of construction are encountered, a decision is required by USDOL to determine the proper wage table(s) for the project.

Questions pertaining to the applicability of any Wage Determination should be directed to the District Contract Compliance Manager and the Prevailing Wage Rate Coordinator (PWRC). If necessary, the PWRC will contact USDOL for guidance. First decide on what type of table is required, then apply the rules of the table listed in 6.2.3.1.

6.2.3 U.S. Department of Labor Wage Determination

Three of the most common rules experienced in determining which Wage Determinations and modifications apply to a specific contract are summarized in Table 6.2.3.1.

Table 6.2.3.1 Common USDOL Rules Guiding Wage Determinations	
Referred To As:	Description
Ten (10) Day Rule	Guides the specific Publication Date & Modification Number for a contract's Wage Determination. The most current version (modification) of the wage table(s) (specified in the contract special provisions) is "locked in" at a date 10 day before the letting date. For example, if a wage table is modified by USDOL with a publication date that is 10 calendar days before the letting date for the project, then that is the correct version to use. If it is modified with publication date 9 calendar days or less, before the letting, then the previous version would be used.
Ninety (90) Day Rule	Guides the specific Publication Date & Modification Number for a contract's Wage Determination. If a contract is not awarded within 90 days after the bid letting (i.e., bid opening) then the most current modification of the Wage Determination will be applied to that contract, unless the USDOL has granted the specific contract an extension to this 90 day rule.
20% and/or \$1Million	Guides the incorporation of which Wage Determinations apply to a contract. Additional Wage Determinations delineating rates and fringes for specific types of construction (e.g., heavy, building, dredging, etc.) are required if the specialized costs comprise at least 20% of the total construction cost OR totals at least one million dollars. If such work is less than 20% of the total construction cost <u>and</u> will cost less than \$1 million dollars, they are considered incidental to the primary type of construction and a separate Wage Determination is not applicable. Examples: \$6 million roadway construction project includes the construction of a building at the side of the roadway "A" building construction is \$1 million. A Building Wage Determination is required because although building construction is 16.7% of the total, the cost is \$1 million. "B" building construction is \$750,000. A building Wage Determination is not required because the building construction is 12.5% and under \$1 million.

6.2.4 Fringe Benefits Required in Wage Determination

A WD may contain two (2) separate requirements for any individual classification: "Rate" and "Fringe." "Rate" refers to the minimum monetary wage and "Fringe" refers to minimum payments for a bona fide fringe benefit.

Contractors may fulfill the total wage requirement for a classification by paying cash and bona fide fringe benefits in a variety of combinations. Refer to Section 6.8 of this Chapter for information on Fringe Benefits.

6.2.5 Posting Requirements

The prime contractor on each federally funded project is required to ensure that the Job Site Bulletin Board(s) displays the following items:

- (a) The correct Wage Determination(s) (WD). The WD posted on the bulletin board must be the same WD contained in the executed contract. WDs can be obtained

from the FDOT Construction Office website or from the USDOL “Wage Determinations OnLine.gov” site.

(b) Classifications added by the request procedure. When additional classifications are approved by USDOL on a project, the approved classifications are to be listed on **Form 700-010-67 Additional Federal Wage Rate Decision Poster**, and then posted on the project bulletin board. The USDOL approval letter and the original request are not posted but should be retained in the contractors’ project files.

(c) The “Important Wage Rate Information” poster. This poster can be obtained from the FDOT Equal Opportunity Office website (see Section 1.4) or downloaded from the FDOT forms library.

6.3 REQUESTING ADDITIONAL WAGE CLASSIFICATIONS

6.3.1 Purpose

Requesting an additional wage classification is the process that allows a classification to be added to a Wage Determination/wage table (WD) on a project-by-project basis, when the wage table(s) assigned to the project does not include classifications needed to perform work on a project. USDOL replies to this request with a “conformance.”

When a classification is approved, it is only valid for the particular project on which it was requested. Blanket coverage to other projects is not allowed by current regulations. USDOL provides guidance on conformances in their U.S. Department of Labor Prevailing Wage Resource Book section on **Davis-Bacon Act (DBA) Conformances**.

6.3.2 Requirements and Process

It is the prime contractor’s responsibility to submit additional classification requests for their firm and for all subcontractors on the project. The Classification Request Manager (CRM) is the system for managing additional classification request. This application allows classification request to be submitted through an Internet Subscriber Account by the contractor. FDOT personnel then process the request electronically and forward to the USDOL. The system creates the Additional Classification-Request Form and forwards the populated form to the Wage and Hour Division of USDOL.

To submit an additional classification request, the prime contractor should follow the directions in the Classification Request Manager User Guide found on the Construction Website. The CRM system creates a documented record and allows for electronic response. The DCCM or their designee in each district will evaluate the request and the system will issue the contractor a copy of the decision whether it is rejected and returned for amendment by the contractor or validated and sent to the USDOL for conformance.

Upon receiving a response from the USDOL, the PWRC attaches the letter from the USDOL noting the action taken by the USDOL to the system that in turn sends the

conformance to the contractor and the DCCM. The DCCM is responsible for forwarding a copy of this transmittal to the project's Resident Compliance Specialist.

The contractor is responsible for posting any added wage classifications and rates on the project bulletin board. The Additional Federal Wage Rate Decisions (Form No. 700-010-67) is provided to make posting this information on the project bulletin board easier.

The final approval letter issued by the USDOL for each classification is sent to the contractor and must be kept by the contractor in the project files for verification of the posted rates.

Additional classifications are not needed for apprentices enrolled in bona fide apprentice programs. An additional classification request is not needed for enrollees in the FDOT OJT program unless the training classification is not specified on the WD. In such cases, the journeyman rate is to be requested for the classification where OJT will occur. Apprentice or trainee rates will be specified in the apprentice or training program document approved by the Florida Department of Education.

6.3.3 Wage Payment while Awaiting Additional Classification Decision

Contractors are to make every good faith effort to submit and obtain additional Wage Classification decisions prior to workers appearing on the project.

If an "Additional Wage Classification" has been requested, but a response has not been received, the contractor may include the additional classification on the certified payroll and pay at least the minimum amount indicated in their request document.

Once the wage decision has been received from the US Department of Labor, the contractor must retroactively make any pay adjustments required, if the rates approved are greater than the rates paid to employees, in that classification. In the event the response indicates that the work is included, in that of an existing classification, the contractor is to begin immediately using the indicated classification and must retroactively pay any difference in rate resulting from this decision.

The contractor will be given 20 days from the date of notification from FDOT to make retroactive pay adjustments, if needed. The 20 days also applies to submission of corrected payrolls and documents evidencing payment to the affected employees. If these adjustments are not made within this timeframe, payroll violations will be issued.

6.4 EMPLOYEE LABOR INTERVIEWS

6.4.1 Purpose

To fulfill the contracting agency's (FDOT) requirement to monitor payments made on Federal-Aid construction projects, the following procedures have been developed for interviewing employees for proper classification and wage payment purposes.

6.4.2 Overview

The ***Employee Interview Report - Labor Compliance Form No. 700-010-63***, is provided to document interview results of a cross section of employees based on the dollar amount of the contract. For Consistency, Predictability and Repeatability (CPR) effects, we ask that all labor interviews be conducted using this compliance form. Interviews are conducted monthly on a random basis and interviews are sought on a wide range of laborers and mechanics for labor compliance criteria. “Laborers and Mechanics” are general terms used to mean all construction employees on a project, performing either labor or work termed a craft, as opposed to managerial or technical work. Note: For comparative purposes, other personnel, such as the foreperson, working on the project should be interviewed.

6.4.3 Monthly Interview Requirements

Representatives of FDOT and other agencies may interview employees to verify compliance with requirements. Contractors and subcontractors are required to ensure that employees are available for interviews on the project during work hours.

An Employee Interview Report – Labor form will be completed to document any labor interviews conducted by the Department or its representatives. Completed “Employee Interview Report – Labor” forms will be transmitted to the RCS within 5 business days of completion.

The Resident Compliance Specialist ensures the required minimum number of Labor interviews are completed each month based on the contract dollar amount. The interviews will include a cross-section of active contractors and a diversity of workers. Table 6.4.3 summarizes the minimum number of monthly interviews based on the contract amount. However, additional interviews, above the minimum, may be conducted.

The Resident Compliance Specialist will utilize the information obtained in the interviews to evaluate the following:

- Interview document is complete and accurate
- Information matches wage rates on the certified payroll -
- Compare the date of the interview against payroll to ensure interviewee is shown on the project for that date.
- Employee ID matches and listed on the payroll
- Ensure employee is paid overtime, receives hard hat and vest and has not received money or favors on the job
- Ensure the employee is aware of JSBB
- Deductions noted match deductions on payroll
- Review Fringe Data against payroll
- Work observed in field matches classification on payroll and is paid accordingly against WD
- Discrimination concerns

This review should be completed by the RCS within 10 business days of receipt of the completed Employee Interview Report-Labor and supporting documentation whichever is later.

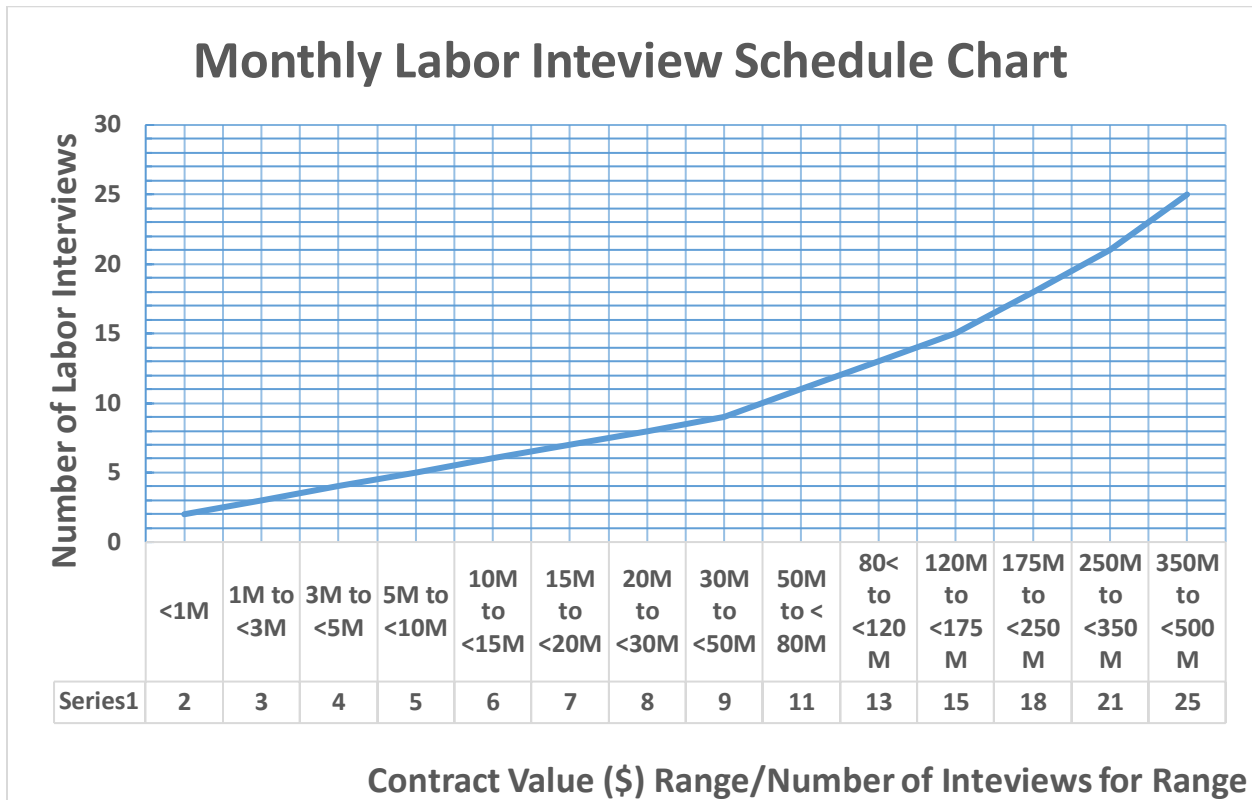
The Resident Compliance Specialist takes action to resolve discrepancies identified during the interviews. Follow-up interviews maybe required. Actions that may be taken include, but are not limited to:

- issuance of payroll violations, notices of noncompliance, obtaining copies of payroll checks, copies of other related records, etc.
- Depending on the concern and clarification, a phone call may be performed to the contractor prior to issuing a payroll violation.
- Minimum amount of time from completion of the labor interview until communication with the Prime Contractor, 30 days.
- Maximum amount of time from completion of the labor interview until communication with the Prime Contractor, 45 days (This would allow for follow up with inspectors, communication with the Contractor, perform additional interview if needed to clarify information, follow up on any potential discrimination issues, etc.)
- Some exceptions may occur when;
 - Documented findings on a CCCA, CCCR, or other audits reveal the need to issue a PRV.
 - Discrimination investigation (Title VI).

**Table 6.4.3
 Minimum Number of Monthly Employee Labor Interviews**

Original Contract Amount	Required Minimum Number of Interviews per Month
Under \$ 1,000,000	2
\$1,000,000 - \$3,000,000	3
Over \$3,000,000 - \$5,000,000	4
Over \$5,000,000 - \$10,000,000	5
Over \$10,000,000 - \$15,000,000	6
Over \$15,000,000 - \$20,000,000	7
Over \$20,000,000 - *	*

*For original contract dollars greater than \$20 million, the minimum number of interviews will be determined on the vertical axis of the graph. The number of interviews of each range is depicted below the range. Any contracts over \$500 million, the Director of Construction will determine the number of interviews to be conducted.



6.5 PAYROLLS

6.5.1 Purpose

On all federally assisted construction projects over \$2000, the DBA requires submittal of weekly certified payrolls. The payrolls contain information about who worked OJT and ensures compliance with federal wage requirements. Certified payrolls are also necessary to meet the requirements of the **Copeland Act** that lays out regulations for a statement of compliance, signed by the contractor, certifying that the contractor has paid the required wages.

6.5.2 Payroll Reporting Requirements

Each contractor and subcontractor will furnish to the project's Resident Compliance Specialist a certified payroll for wages paid to each of their employees assigned to the project during the preceding weekly payroll period. The prime Contractor is responsible for the submission of certified payrolls by all subcontractors. The certified payroll includes the Statement of Compliance and the payroll record.

The submittal can be signed electronically or handwritten and submitted to the Resident Engineer (or their designee). Digital certificates used to sign payroll documents must be

acquired from one of the approved digital certificate authorities approved by the Department and be of a National Institute of Standards Technology (NIST) assurance level of three (3) or higher.

The payroll includes wages paid to “Laborers and Mechanics” (i.e., workers whose duties are manual or physical in nature including those who use tools or perform the work of a trade), apprentices, trainees, watchmen and guards. Wages paid to workers who perform no manual or physical work on the construction project and whose primary duties are administrative, executive or clerical, are not included on the certified payroll record. Excluded on project certified payroll records are employees such as architects, engineers, timekeepers, administrative staff, surveyors, quality assurance staff, and inspectors. However, any of the excluded employee classifications that perform primarily physical and/or manual duties, while employed by a contractor or subcontractor, in work performed immediately prior to or during actual construction, in direct support of construction crew(s) on the site of the work, will be considered a laborer or mechanic and will be covered by the **Davis-Bacon** requirements. This could include people that normally would be excluded such as surveyors, if they meet the requirements of the covered class.

Payrolls are due every week in which any contract work is performed.

Upon request, contractors will provide the day of the week their employees are paid. The Resident Engineer (or designee) is to receive each certified payroll within seven (7) calendar days of the regular payment date of the payroll. The certified payroll may be submitted on the form prescribed, or on the company’s regular payroll form if all required information is included.

Photocopies or “pdf” copies of the “Statement of Compliance”, faxed “Statements of Compliance”, or an electronically scanned “Statement of Compliance” e-mailed to an agency satisfy the requirement that each “Statement of Compliance” be: “signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract.”

However, WHD affirms that the use of electronic signatures is sufficient for compliance purposes and encourages electronic submission of certified payrolls.

The payroll record of each employee is to include: full name, employee identification number correct work classification(s), hourly rate(s) of wages paid including any fringe benefits, daily and weekly number of hours worked on the project, gross wages on the project and all other projects the employee may have worked on, the amount and purpose of each deduction(s) made, and actual net wages paid.

The employee’s address should not be reported, and a four (4) digit employee identifier will be recorded instead of the nine (9) digit social security number. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the Department. It is not a contract

violation for the prime contractor to require the subcontractor to provide addresses and social security numbers to the prime for their records. (See FHWA 1273 Section IV 3(b))

Contractors may make corrections to their payroll records by striking-through and initialing each correction; white-out is not acceptable.

6.5.3 Deductions

The primary purpose of FDOT's review of payroll deductions, for employees on federal construction projects, is to ensure that there is no violation of the **Copeland "Anti-Kickback" Act**. The **Copeland "Anti-Kickback" Act** prohibits federal contractors or subcontractors engaged in construction from influencing an employee to give up any part of the compensation ("kickbacks" of wages and back wages) to which he or she is entitled. It requires contractors and subcontractors to submit weekly, a statement of compliance certifying the contractor has paid the required wages. It regulates payroll deductions from wages and requires contractors to specify method of payment. Contractors are to maintain records documenting deductions and the employee's consent or acknowledgment of deductions. Payrolls are required to show deductions in sufficient detail that allows compliance personnel to evaluate whether the deduction is subject to USDOL approval.

Per 29 CFR §3, Some employee deductions are permissible without application to USDOL, some deductions *may require* USDOL Approval, and lastly, some deductions are prohibited. Deductions must satisfy all items 1 – 4 of §3.5 or all items a – d of §3.6. Any employee deduction(s) not meeting the respective criterion is prohibited/unauthorized per §3.9.

§3.5 Payroll deductions permissible without application to or approval of the Secretary of Labor.

- (1) The deduction is not otherwise prohibited by law;
- (2) It is either:
 - (i) Voluntarily consented to by the employee in writing and in advance of the period in which the work is to be done and such consent is not a condition either for the obtaining of or for the continuation of employment, or
 - (ii) Provided for in a bona fide collective bargaining agreement between the contractor or subcontractor and representatives of its employees;
- (3) No profit or other benefit is otherwise obtained, directly or indirectly, by the contractor or subcontractor or any affiliated person in the form of commission, dividend, or otherwise; and
- (4) The deductions shall serve the convenience and interest of the employee.

§3.6 Payroll deductions permissible with the approval of the Secretary of Labor.

Any contractor or subcontractor may apply to the Secretary of Labor for permission to make any deduction not permitted under §3.5. The Secretary may grant permission whenever he finds that:

(a) The contractor, subcontractor, or any affiliated person does not make a profit or benefit directly or indirectly from the deduction either in the form of a commission, dividend, or otherwise;

(b) The deduction is not otherwise prohibited by law;

(c) The deduction is either (1) voluntarily consented to by the employee in writing and in advance of the period in which the work is to be done and such consent is not a condition either for the obtaining of employment or its continuance, or (2) provided for in a bona fide collective bargaining agreement between the contractor or subcontractor and representatives of its employees; and

(d) The deduction serves the convenience and interest of the employee.

§3.9 Prohibited payroll deductions.

Deductions not elsewhere provided for by this part and which are not found to be permissible under §3.6 are prohibited.

Table 6.5.3.1 summarizes, from the **Copeland Act**, deductions which are generally allowed without application to, or permission from, the U.S Department of Labor. Contractors are required to request U.S. Department of Labor permission before taking any deduction which does not fall within these parameters, or which may questionably fall within these parameters. Deduction request letters can be submitted electronically. Simply scan a copy of the signed request and email your request to dbadeductions@dol.gov. The email address may also be used to request the status of current deduction requests, as well as ask technical assistance questions, regarding **Copeland Act** deductions.

Table 6.5.3.2 summarizes, from the **Copeland Act**, the four criteria that the USDOL considers in granting contractor permission for other deductions. All four criteria must be satisfied for the granting of permission.

Generally, administration fees, interest, or any profit taken on deductions is not allowed by the employer. Employee loans through a bona fide third party (such as a credit union, profit sharing trust fund, etc.) may include interest and fees charged by that third party. In short, the employer may not benefit financially from the loan of money to an employee, nor may they impose an administrative fee. Court ordered garnishments including a minimal processing fee payable by the employee and/or employer are allowed.

Deductions for personal use of cell phones and use of company vehicles require the permission of USDOL and must meet the criteria stated in Table 6.5.3.2. Contractors requesting USDOL permission, for such deductions, should provide additional information to address compliance.

Collective bargaining agreements, which include deductions for dues do not require USDOL approval but requires the prior approval for the deduction from the employee. If the deduction in the collective bargaining agreement is not identified or the deduction is identified on the payroll as a “union working assessment” then USDOL approval is required.

Child support or other court-mandated deductions may allow the contractor to deduct an administrative fee. In accordance with Florida Law, a deduction of \$5.00 for the first deduction and \$2.00 for each deduction after that is allowed for administrative fees. This deduction is to help with the cost that the employer has, for setting up the deduction in their system and to aid in expenses for mailing etc. See Section 61.1301, F.S.

The following is general guidance on some common deductions:

Uniform Rental Deductions: If the deduction takes an employee below the required base rate of pay then the deduction must be approved by the USDOL. A copy of the deduction approval letter shall be sent to the DCCM and the Prevailing Wage Rate Coordinator for input into the tracking system.

Garnishment: A court ordered garnishment order shall be in the contractor’s payroll files and will be made available to the FDOT upon request. Note: This does not mean that it should be attached to each payroll.

Loans/Pay Advances: Any loan or pay advance to employees by the contractor/subcontractor requires a signed authorization by the employee for the deductions. A new deduction requires a separate authorization. USDOL approval is not required.

Table 6.5.3.1 Deductions Generally Allowed without Contractor Application to or Permission from the U.S. Department of Labor	
A	Federal, State income withholding tax; social security taxes
B	Amounts required by court order, such as child support payments
C	Repayment, without discount or interest, of employee advances or loans
D	Contributions to funds for medical or life insurance, retirement funds or pensions
E	Purchase of US savings bonds
F	Deductions for charitable organizations such as Red Cross, United Way
G	Automatic payroll deposits to a Credit Union
H	Union initiation fees and membership dues
I	Purchase of safety equipment of nominal value when such equipment is not required by law to be furnished by the employer
J	Reasonable cost of board, lodging or other facilities, when such meets the specific requirements of the Fair Labor Standards Act, Part 531 and special records are kept;
K	Transportation to and from the place of employment
L	Bona-fide Fringe Benefits that are approved in writing by the employee.

Table 6.5.3.2 Four Criteria Required by USDOL in Granting Permission for Other Deductions (Satisfaction of all 4 Criteria is Required)	
1	The contractor, subcontractor or any affiliated person does not make a profit or benefit directly or indirectly from the deduction either in the form of a commission, dividend or otherwise, and;
2	The deduction is not otherwise prohibited by law, and;
3	The deduction is either: A Voluntarily consented to by the employee and in advance of the period in which the work is to be done and such consent is not a condition either for obtaining employment or its continuance –or- B Provided for in a bona fide collective bargaining agreement between the contractor and the representatives of its employees, and;
4	The deduction serves the convenience and interest of the employee

6.5.4 Requesting USDOL Permission for Deductions

Contractors are responsible for requesting U.S. Department of Labor permission for deductions that do not fall within the parameters of those deductions generally allowed without USDOL permission (see Table 6.5.3.1.) This permission is to be obtained before taking the deduction.

Permission is generally granted for a period of one (1) year. Retroactive permission is occasionally granted, and it is documented accordingly in the USDOL approval.

Submit electronic deduction request letters to dbadeductions@dol.gov or send signed deduction permission requests on company letterhead and include a copy of any previous approval granted for this deduction. Address the request to:

<p style="text-align: center;">U.S. Dept. of Labor, Wage & Hour Division Division of Enforcement Policies & Procedures - Rm. # S3006 200 Constitution Avenue, N.W. Washington D.C. 20210</p>

The contractor's proposed deductions should comply with all of the criteria stated in Table 6.5.3.2 and the letter should specifically state:

- 1.) This request complies with the provisions as set forth in the Department of Labor Regulations 29 C.F.R. Part 3.6-Payroll deductions permissible with the approval of the Secretary of Labor.
- 2.) The contractor or any affiliated person does not make a profit or benefit directly or indirectly from the deduction.
- 3.) The deduction is not otherwise prohibited by law.
- 4.) The deduction is either (1) voluntarily consented to by the employee in writing and such consent is not a condition of employment, or (2) the deduction is provided for in a bona fide collective bargaining agreement, and
- 5.) The deduction serves the convenience and interest of the employee."

USDOL tries to respond to these requests within 30 days.

6.5.5 Overtime

Overtime (OT) is the payment of 1.5 times the basic rate of pay for any hours worked in a workweek over 40. The basic rate of pay is the straight time hourly rate—generally listed in the “RATE” column, apart from the fringe benefit amount (if any) listed for a classification in the Wage Determination. Fringe benefits must be provided for overtime hours. But fringes are calculated on an hourly basis. If an employee works five (5) overtime hours, then they must be paid 5 hours of fringe benefits. Fringe benefits are never calculated at time and one-half. The basic hourly rate (BHR) is always controlled by the employee, so any deductions to the BHR should have the employee’s consent. When overtime hours are involved then special consent must be granted by the employee to deduct any portion of the overtime pay. Pursuant to FLSA in 531.37 deductions may be made during an overtime workweek as in non-overtime workweeks providing the amount deducted does not exceed the amount that could be deducted if the employee had only worked the maximum number of straight time hours during the workweek.

This does not mean that the employers’ cost for fringe benefits will not be considered “compensation” in the context of an overtime payment. If fringes are used to meet the basic hourly rate, then that cost is considered compensation towards the total cost owed to the employee for overtime weeks as in a non-overtime week. Employer funded fringe benefits creditable towards fulfilling a contractor’s obligation to meet the **Davis-Bacon** prevailing wage requirement are separate and distinct from payroll deductions addressed in 29 CFR 3.5 & 3.6.

In addition to OT requirements for employees that fall under the provisions of the DBA, there is also a requirement for OT pay for night watchmen and guards. The Contract Work Hours and Safety Standards Act on federally funded projects over \$100,000.00 requires overtime pay for laborers and mechanics, including guards and watchmen, for at least one and one-half times their regular rate of pay for all hours worked over 40 in a workweek. Federally funded projects under \$100,000.00, as well as state funded projects, also have overtime requirements for covered employees under the Fair Labor Standards Act.

Overtime payments are based on time actually worked (including break periods but not lunch) and cannot include holiday, vacation or other time, for which an employee is paid, but not worked.

6.5.6 Classifications

The payroll record is to reflect the employee’s classification of work as listed on the General Wage Determination (WD) or on the additional Wage Determination.

The payroll record should state the employee’s classification title as listed on the wage decision. If classifications are abbreviated on the payroll, and the relationship to the titles on the wage decision is ambiguous, the contractor may be required to submit a letter

stating to which classification on the wage decision the abbreviation is referring, or a legend can be provided.

Semi-skilled is an EEO Category which includes several individual classifications; it is not a job classification. Refer to Chapter 3, Table 3.4.5 for specific semi-skilled job classifications that must be shown on the payroll, if applicable.

A person working as a welder should be classified in the classification for which welding is incidental (example: Welder-Reinforcing Iron Worker) on the payroll record.

Enrollees in the FDOT OJT Training program (See Chapter 5) may be paid at the common general laborer rate, stated in the Wage Determination, for training hours, if the trainee is not paid at least the minimum of the classification in which he is training.

Also, 'trainee' must be annotated/included with the classification on the certified payroll to identify applicable training hours. Enrollees cannot be classified as 'trainee' when performing work not associated with the OJT Program. Enrollees must be identified in the appropriate Davis Bacon Act (DBA) classification when performing work which does not pertain to OJT program/training hours.

6.5.7 Work in More than One Classification

When an employee's work on a project includes activities performed in more than one classification during a payroll period, the contractor has two alternatives for wage and payroll compliance:

Note: In the following examples, only applicable portions of the payroll record are shown; the examples are not complete payroll records.

1.) Hourly rate varies and classification of work varies.

Pay the employee varying amounts based on the work performed, provided that the hours worked, in each classification are documented and the hourly rate paid, is at least the minimum rate for each classification.

The Certified payroll reflects each work classification, hours worked in each, and rate paid for each.

Example:

General Decision Number FL 2003xxxxx											
CLASSIFICATION		RATE		FRINGE							
Truck Driver Multi-Rear Axle		\$8.88		-							
Unskilled Laborer		\$7.77		-							
NAME	WORK CLASSIFICATION	HOURS WORED EACH DAY ON THIS PROJECT							TOTAL HOURS	RATE OF PAY	GROSS
		S 4/4	M 4/5	T 4/6	W 4/7	Th 4/8	F 4/9	Sa 4/10			
DLEX, JOE	Unskilled Laborer		8	8		2	8		26	\$ 7.77	\$202.02
	Truck Driver Multi-rear axle				8	6			14	\$ 8.88	\$124.32

If an employee’s work during one pay period is covered by more than one Wage Decision (e.g. Highway- County X and Highway- County Y or, Highway and/or Heavy) and the contractor wishes to vary the rate of pay based on the classification of work, then the payroll record must additionally include a notation as to which WD applies to which classification, days and hours of work.

2.) Hourly rate and reported classification is unchanged although work varies.

All hours worked by the employee are paid at one rate that is equal to or greater than the minimum rate, of the “highest classification” the employee worked. The “highest classification,” is the classification which the employee worked, that has the highest minimum wage, on the Wage Decision.

The actual rate paid is equal to or higher than the minimum for each classification worked.

The Certified payroll reflects the highest classification of work, hours worked each day, and the one rate applied to all work.

General Decision Number FL 2003xxxxx											
CLASSIFICATION		RATE		FRINGE							
Truck Driver Multi-Rear Axle		\$8.88		-							
Laborer		\$7.77		-							

NAME	WORK CLASSIFICATION	HOURS WORED EACH DAY ON THIS PROJECT							TOTAL HOURS	RATE OF PAY	GROSS
		S	M	T	W	Th	F	Sa			
		4/4	4/5	4/6	4/7	4/8	4/9	4/10			
DLEX, JOE	Truck Driver Multi-rear axle		8	8	8	8	8		40	\$ 8.88	\$355.20

6.5.8 Working Foremen/women

Working foremen/women, referred to as “forepersons”, are those employees who, while having some supervisory duties, also engage in “hands-on” construction craft and laborer work.

The time that a working foreperson expends in the construction craft or laborer work is subject to the **Davis-Bacon Act** provisions provided:

(1) The employee does not qualify as an exempt executive (as defined in Part 541 of 29 C.F.R.);

and (2) 20% or more of the pay period, the employee is involved with duties in a construction craft or is working in a labor classification.

The payroll record of a working foreperson includes the designation of foreperson, plus the craft or laborer classification worked in (i.e., “Foreperson-Carpenter”). The Working foreperson is to be paid at least the minimum rate listed in the Wage Determination for the hours spent working in the specific classification.

If a working foreperson works overtime hours in a craft or laborer classification, the wage paid for those overtime hours must be at least equal to time and a half (1.5) of the “Rate” specified for that classification on the project’s Wage Determination. If it is less, additional pay is due for each of the overtime hours.

A working foreperson’s hourly rate for a craft or laborer classification is calculated as follows:

Weekly Pay rate divided by 40 hours=equivalent hourly rate EXAMPLE:

A Working Foreperson/Carpenter’s weekly pay is \$600.00 per week; the hourly rate is \$15.00 (\$600.00/40 hours). The wage decision for Carpenter is:

General Decision Number FL xxxxx		
CLASSIFICATION	RATE	FRINGE
Carpenter	\$10.00	-

If overtime hours are incurred while working as a carpenter, this Working Foreperson must earn at least \$15.00 per hour (1.5 times the carpenter’s “rate” of \$10.00). This employee’s hourly rate equals the time and a half rate of the carpenter classification, so no additional pay is required. If the employee’s hourly rate was less than \$15.00, then additional pay would be required for each overtime hour to equal the time and a half rate of the carpenter.

6.5.9 Independent Contractors & Working Owners

Occasionally, a contractor will have a person perform work on a project and that contractor will report that the person is an independent contractor and not an employee. Generally, a person cannot become an independent contractor just because he or she wants to be or because an employer prefers them to be. It is not enough that the employee and the employer agree.

Independent contractors are a legitimate resource in highway and bridge construction projects. The Department’s position is to ensure that such is not being falsely claimed to circumvent taxation, workers compensation and or prevailing wage requirements. The USDOL and the U.S. Supreme Court have indicated that there is no single rule or test for determining whether an individual is an independent contractor or an employee. FDOT requires all independent contractors to have a sublet or rental agreement on file.

FDOT may advise the contractor of apparent violations and will rely on the determination of investigators from IRS, the USDOL, etc., for determining the validity of the reported status.

The USDOL Fact Sheet #13, (Employment Relations under the **Fair Labor Standards Act**) offers additional insight as well as various IRS documents. The fact sheet is available

at the USDOL website. (See Chapter 1, Section 1.4 for a Directory of Compliance Websites)

The work of independent contractors is to be authorized for the project through a Sublet or Rental Agreement. All subcontractor compliance reporting requirements apply to independent contractors, (See Chapter 1, Section 1.7 Compliance Requirement Summary), including submission of certified payrolls reflecting hours worked on the project and classification of work.

Owners of independent contracting businesses who themselves perform the work of a laborer or mechanic on DBA-covered jobs may be exempt from the prevailing wage requirements. To qualify as an exempt owner, a 20% bona fide equity interest must be held, and the individual must participate in management of the business. To establish eligibility for this treatment, the owner must file a statement with the FDOT attesting to their ownership interest and management activities within their organization. This must be filed with a signature on each job where the business owner performs manual or physical work at the job site. Additional documentation may be requested for verification and verification may be done by the USDOL. After this statement is filed, for each week where the business owner works at the job site, the certified payroll should show their name and a four (4) digit identifier, but the remaining information need not be shown, just a notation, "Owner-541 Excluded." This treatment will be applied only to bona fide business owners.

6.5.10 Truck Owner-Operators

An independent owner-operator of a truck is one who owns and drives their own truck. Truck owner-operators are not routinely subject to EEO Reporting however, they are subject to complying with FDOT's non-discrimination requirements and an 'abbreviated certified payroll' is required.

The abbreviated certified payroll of a truck owner operator includes their full name and the notation "owner-operator." None of the other data items (hours, rate, deductions, etc.) required on a certified payroll is needed.

Contractors are responsible for ensuring accurate reporting of all such operators on Federal-Aid or federally assisted projects. It is acceptable for the prime or subcontractor who engages the owner-operator to list the truck owner-operator on their certified payroll provided they have (1) acquired and retained documentation attesting to the operator's ownership of the truck and (2) have a valid basis for assuring that only the owner is operating the truck on the specific project.

This valid basis may be established contractually (subcontract specifies that only the owner may drive the truck on the specific project), or with an affirmation statement signed by the owner of the truck. Documentation of this valid basis is subject to verification and should be retained by the contractor for a minimum of three years following FDOT final payment on the project.

Owners of trucks that have incorporated and own at least 20% of the business and are not hiring drivers outside of the corporate owners can be listed on the Prime or Subcontractors payroll. Once they hire outside of the corporate owners then they must submit Certified Payroll for their employees.

A payroll violation is issued when it is determined that a driver does not actually own the truck, they are operating on-site, and they have previously been reported as a truck owner-operator. This determination could have been by someone filling out the Trucker Observation and Validation form, or some other type of routine inspection (See Chapter 2.7.7.1). Correction requires submission of a certified payroll for the driver, reflecting all required data elements, and an hourly rate at least equal to that specified on the project wage table, for the type of truck operated.

6.5.11 Certified Payroll for Warranty Work

Some construction contracts include provisions for warranty work following the final pay-off of a project. A certified payroll is required for construction craft and laborer workers, performing warranty work on FDOT federally funded contracts, if the employee(s) spend more than 20% of their workweek on the site of the original work. All certified payroll requirements associated with work during construction apply to the warranty work. The notification, sent to the contractor regarding the necessary warranty work, will reference the requirement, and state instructions on where to submit, the certified payrolls.

6.5.12 Time Frame for Submittal of Payrolls

Each week, in which any contract work is performed; the prime contractor will submit, to the FDOT Compliance staff, the payrolls and signed Statements of Compliance, within seven (7) calendar days, after the regular payment day, of the payroll period. The prime contractor is responsible, to assure that all required payrolls are submitted, for all subcontractors, rental companies (for agreements with operators), and temporary employment agencies performing work during the subject week.

6.5.13 Contractor's Retention of Payroll Records

Both FDOT and the contractor have retention responsibilities for payroll records.

Payrolls and basic records, relating to payrolls shall be maintained by the prime contractor, during the course of the work, and preserved for a period of three (3) years, from the date of completion of the project. These records are required to be available for inspection, copying or transcription by FDOT, FHWA, USDOL or authorized representatives. These provisions are governed under 29 C.F.R. Part 5.5 and FHWA 1273, section IV.

6.5.14 Department's Storage and Retention of Payroll Records

Payrolls submitted by the contractor to the Department and associated payroll records shall be maintained by the Department's representative during the duration of the contract. After final payment to the contractor is made, the payroll records will be submitted to FDOT. All payrolls will be moved to the payroll folder in the

Compliance Module of EDMS. Records will be retained along with any other sensitive documents such as Employee Interviews. When submitting these documents into EDMS, check the “sensitive” checkbox so that only administrative personnel given access to the Construction folder will be able to view the information.

FDOT’s individual schedule A-312(1) Contractor’s Payroll – Federal Projects, retention of three (3) fiscal years after final payment; is superseded by General Records Schedule GS1-SL for State and Local Government GS1-SL Project Files: Federal Item #137 retention is five (5) fiscal years after completion of project. FDOT A-312(1) is no longer used. See LAP Manual for Local Agency requirements.

6.5.15 The Wage and Hour Record

The ***Wage and Hour Record Form 700-010-69*** has two required parts:

- 1.) The Wage and Hour Record or payroll record and
- 2.) A Statement of Compliance that must include the signature of the contractor (or his/her agent) who pays or supervises the payment of the people employed under the contract.

Optional additional pages are provided for more space in detailing employee deductions (“Deduction Report”) and employee fringe benefits (“Fringe Report”).

The Statement of Compliance may be retyped for the convenience of the contractor, but it must contain the exact words and sections of the original form. The Statement certifying the payroll, for the pay period, contains the information required and the information is correct and complete. That laborer(s) or mechanic(s) (including apprentices and trainees) employed on the contract, during the payroll period, have been paid the full wages earned and no deductions, directly or indirectly have been made other than those permissible. That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage rate determination incorporated into the contract. And the Contractor or subcontractor shall make the required records available for inspection, copying or transcription by authorized representatives of FDOT, the FHWA, and the US Department of Labor.

Payroll Violations may be issued for payrolls that have errors, are not consistent with interview reports, or show inadequate payment of employees.

Directions for Completing Wage and Hour Record Form

This ***Form 700-010-69*** includes four pages: Statement of Compliance, Wage and Hour Record, Deduction Record, and Fringe Benefit Record.

Note: Computer generated payrolls should follow these same guidelines.

Directions for completing The Statement of Compliance

Date	Record the date this record is being submitted
Name:	Name and title of person signing the Certification
Contractor;	Name of the company for which the employees work
Building or Work	Identification of the project (the FDOT contract #)
Payroll Period	Day and month /year pay period begins Day and month/year pay period ends
Contractor	Name of the company for which the employees work

Description of Deductions:

Each deduction listed on the payroll must be listed in this area (the four blank lines); however, attaching an additional page listing the deductions and placing a phrase such as **“see attached for deductions”** in this area is recommended in lieu of listing each one separately. If all deductions made are adequately described in the “Deductions” column on the payroll, state “See Deductions column in this payroll.”

Box 4a, b, c

On the statement of compliance (form 700-010-69) either box 4(a) or 4(b) will be checked and any exceptions to the box that is checked will be listed in box 4(c). The contractor will never check both boxes. Complete these boxes only if your payroll includes a classification that on the Wage Determination (WD) for the project, indicates a Fringe payment amount. If there were not classifications used on the project that required fringe benefits per the wage determination, the boxes should be left blank.

Contractors who satisfy the Fringe benefit requirements of a Wage Determination by making payments to an approved plan, fund or program should report that by checking box 4(a) on the Statement of Compliance. This signifies that the contractor is making payments for fringe benefits to appropriate programs for the benefit of the employees. The section for box 4(a) reads “where fringe benefits are paid to approved plans, funds or programs”. Any exceptions shall be noted in section 4(c)

If the contractor is satisfying fringe benefit requirements by paying employees in cash, then box 4(b) on the Statement of Compliance is checked. The section for box 4(b) reads “Where Fringe benefits are paid in cash.” Any exceptions shall be noted in section 4(c)

Remarks	Include any data deemed appropriate
Name & Title	Name and title of person signing the Certification

Signature The person's signature

Directions for completing Wage and Hour Record

Column 1. All payroll records submitted shall contain the employee's first and last names. On contracts let on or after January 19, 2009, the employee's address is not reported, and a four (4) digit employee identifier should be recorded instead of the nine (9) digit social security number. However, the social security number and address of each affected employee should be kept by the prime contractor in his employment records for this project and for the subcontractors' employees that are employed on the site of work.

Column 2. This column is optional for withholding exemptions, race, and gender. While not required that race and gender be put on the payroll not annotating the payrolls will add an additional requirement for the contractor and subcontractors to keep separate records with this information and these records are to be provided to the Department upon request.

Column 3. Classification: Record the classification as it appears on the Wage Determination (WD) or on the additional wage rate request for the specific project. Semi-skilled laborer, helper, or operator (without designation of which type) cannot be used. If the classification listed on the payroll is not exactly as it appears on the WD, the contractor may submit a signed letter to clarify and to correlate the payroll classification to the WD.

Column 4. Hours worked by day of week. Overtime hours are to be listed on the upper row; straight-time hours are to be listed on the lower row.

Column 5. Total hours worked on FDOT project (shown separately for overtime and straight time).

Column 6. Rate Paid – Indicate the hourly pay rate for overtime on upper row and straight-time on lower row. Check the rate paid for the work classification against the Wage Determinations (WD) for the specific contract. The hourly rate for Fringes paid in cash may be shown in the straight time space as follows:

Minimum Wage Determination	
Basic hourly rate	\$17.00
Fringe benefits	\$4.00
Total minimum wage/fringe benefit obligation	\$21.00

- (1) \$21.00 in cash wages;
- (2) \$17.00 plus \$4.00 in pension contributions or other bona fide fringe benefits;
- (3) \$15.00 plus \$6.00 in pension contributions or any combination of bona fide fringe benefits.

*Note: overtime must be paid at time and one-half the basic hourly rate of \$17.00. See 29 CFR 5.32.

Column 7. Gross Amount Earned. On the top section, record the employee's gross earnings on this project. On the bottom section, record the employee's total gross earnings this pay period (includes this project, other FDOT projects and any other)

GROSS THIS PROJECT	\$21.00
TOTAL WEEKLY GROSS	\$400.00

Column 8. Deductions: All deductions *must be* identified. The amount of each and every deduction shall be listed along with its description, including those not requiring USDOL authorization. (See Deductions this Chapter, Section 6.5.4).

Directions for completing the Deductions Record

Record the contractor's name, address, payroll number, pay period ending date, contract number, financial project number and project description/county.

Employee Name (last, first): Record the employee's name as it appears on the "Wage and Hour Record."

Type a "deduction description" in each box and then record the amount of that deduction for each employee or leave blank. Do not mix deductions and benefits on the same form.
 Example

Employee's Name	Loan	Uniforms	Medical-individual		Total Deductions Amount
Adams, Juan		\$8.00			\$8.00
Beser, Louis	\$25.00	\$8.00	\$34.00		\$67.00

Column 9. Net wages paid for week.

Column 10. Fringe Benefits

Directions for completing the Fringe Benefits Record

Record the contractor's name, address, payroll number, pay period ending date, contract number, financial project number, and project description/county.

Employee Name (last, first): Record the employee's name as it appears on the "Wage and Hour Record." Type a "fringe benefit description" in each box and then record the amount of that Fringe Benefit for each employee or leave blank. Do not mix deductions and benefits on the same form.

6.6 NOTIFICATION OF PAYROLL VIOLATION

6.6.1 Purpose

Payrolls are to be promptly reviewed by the Resident Compliance Specialist and the contractor is to be advised of all instances of omissions, tardiness and violations.

6.6.2 Violation Types

The RCS issues a “Payroll Violation” letter (See Chapter 1, Section 1.6) in the event:

- A. The contractor or subcontractor was active on a project and failed to submit a certified payroll for that week. A copy of the Daily Work Report may be attached as reference.
- B. The certified payroll record is not received within seven (7) days of that company’s regular payment day of the payroll period.
- C. The Statement of Compliance is incorrect or incomplete.

A **Payroll Violation Form 700-010-59** is issued by the RCS when it is determined, the certified payroll does not comply with the minimum wage requirements, or the submitted wage/payroll information is incomplete or erroneous, or unauthorized deductions were made. FDOT Staff may refer to the Construction Project Administration Manual (CPAM) Section 5.4.7 “Notification of Payroll Violation.”

Phone calls may be used to determine the nature or character of an apparent violation to better assure that a correct action or response is taken.

Payroll Violations are identified by a code number. The payroll record of any one employee may reflect more than one violation. The following Table 6.6.2 summarizes the Violation Codes.

Table 6.6.2
Payroll Violation Codes

Code	Description
1	Time and one-half rates were not paid for work performed in excess of 40 hours per week
3	Improper Classification: Employees observed assigned to work involving “higher” classifications than those shown on payroll listing.
4	Hourly rate paid is less than minimum authorized wage rate for classification of work shown and included in the construction contract
5	Certified payroll contains mathematical errors that indicate payment made to the employee(s) violated Federal-Aid labor provisions or the contract
6	Unauthorized payroll deductions
7	Other violation not listed above

6.6.3 Correction Requirements

The prime Contractor is responsible for obtaining and forwarding to the Resident Compliance Specialist all documentation and records required to satisfactorily resolve all notices of noncompliance and payroll violations issued for their own workforce, their subcontractors, temporary employment agencies, and rental agreements with operators.

FDOT staff may refer to the Construction Project Administration Manual (CPAM) Chapter 5.4.8 for the Notification of Noncompliance process.

Code 1 payroll violations require that an assessed violation penalty of \$10.00 per day, plus additional gross wages due be withheld, and formal notification be sent to Federal Highway Administration. Monies withheld for wage differences shall be released to the contractor upon receipt of a supplemental certified payroll and proof that the employee was reimbursed for the amount in question. Satisfactory proof of reimbursement could include a copy of the electronic deposit into the employee's bank account, canceled check or pay stub or an affidavit stating payment by the contractor with the affected employee's signature. The Division Administrator of the FHWA or his designee will make the decision regarding the release of penalty monies withheld.

Code 3, 4, 5, or 6 payroll violations require contractors to furnish to the Resident Compliance Specialist, within 20 calendar days, a certified supplemental payroll showing the payment restitution, when applicable, along with proof of payment made and received by the employee. The date upon which the Payroll Violation is received by the prime contractor is counted as day one (1) of the twenty (20) calendar day resolution period.

The payroll record reflecting correction of a violation, and its accompanying Statement of Compliance, is referred to as a "Supplemental Payroll." The Supplemental Payroll is to be reviewed by the Resident Compliance Specialist. If it substantiates correction of the cited violation, the Contractor will be considered to be in compliance and no further noncompliance action is taken.

If the corrective action does not satisfy the violation cited or if a certified supplemental payroll is required and is not received within the (20) twenty days allotted, and/or is received and does not satisfy the infraction, then the Resident Compliance Specialist coordinates the Performance Deficiency Letter which withholds the Monthly Progress Estimate in its entirety and affects the final grade of the prime Contractor's Past Performance Rating.

6.6.4 Processing Supplemental Payments when the Employee cannot be located

In the event the contractor cannot contact the affected employee, (e.g., the employee has moved and no forwarding address) the contractor is not relieved of the responsibility for payment. In these cases, payment in the amount owed the employee must be sent to the USDOL Wage and Hour Division. The District Contract Compliance Manager (DCCM) coordinates collection of the payment and the required supporting documentation and makes the submission to USDOL.

The contractor will provide a payment document that has a minimum expiration period of 180 days, and make the check or money order payable to:
USDOL Wage and Hour Division

The check should note the name of the contractor and the contract number for which the work was performed. The contractor will also provide the employee's social security number and last known address to the DCCM.

Documentation to accompany the check or money order should include a cover letter from the DCCM, on FDOT letterhead, that will include contract information, contractor information, subcontractor information if applicable, and name, amount owed, social security number and last known address of the employee(s) to which payment is owed. A completed Standard Form 1446, a copy of the Contractor Noncompliance Notification and a copy of the Certified Payroll record(s) is to accompany the check or money order.

Mail the check to:

Ms. Beverly Kitchen
U.S. Department of Labor
Wage and Hour Division
61 Forsyth Street, S.W., Room 7M40
Atlanta, GA 30303

The USDOL should be able to readily identify and make appropriate disbursements to the affected employees.

Attachment 6.6.4.1 - Standard Form 1446

LABOR STANDARDS INVESTIGATION SUMMARY SHEET		OMB No.: 9000-0089 Expires: 03/31/93 CONTRACT NUMBER
<small>Public reporting burden for this collection of information is estimated to average 15 mins. per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretariat (VRS), Office of Federal Acquisition Policy, GSA, Washington, DC 20405; and to the Office of Management and Budget, Paperwork Reduction Project (9000-0089), Washington, DC 20503.</small>		
REPORTING OFFICE	CONTRACT AMOUNT	DATE OF CONTRACT
TYPE OF CONTRACT <input type="checkbox"/> FIXED PRICE <input type="checkbox"/> CPFF <input type="checkbox"/> OTHER (Specify)		
CONTRACTOR'S NAME AND ADDRESS (Include ZIP Code)		EMPLOYER'S NAME AND ADDRESS (Include ZIP Code) (If other than prime contractor)
PROJECT AND LOCATION		
DESCRIPTION OF WORK		
BASIS FOR INVESTIGATION		
WAGE DETERMINATION NUMBER	WAGE DETERMINATION DATE	
NATURE AND EXTENT OF VIOLATION		
NO. EMPLOYEES INVOLVED	ARE VIOLATIONS CONSIDERED WILLFUL? <input type="checkbox"/> YES <input type="checkbox"/> NO	COPELAND ACT VIOLATIONS <input type="checkbox"/> YES <input type="checkbox"/> NO
DAVIS-BACON ACT UNDERPAYMENTS \$	CWHSSA* UNDERPAYMENTS \$	CWHSSA* LAW VIOLATIONS \$
CORRECTIVE ACTIONS TAKEN		
RESTITUTION MADE <input type="checkbox"/> YES <input type="checkbox"/> NO	AMOUNT OF RESTITUTION \$	CONTRACTORS PAYMENT WITHHELD <input type="checkbox"/> YES <input type="checkbox"/> NO
WITHHELD FOR DAVIS-BACON VIOLATIONS \$	WITHHELD FOR CWHSSA* UNDERPAYMENTS \$	WITHHELD FOR CWHSSA* VIOLATIONS \$
REMARKS		
PREPARED BY		
DATE	TITLE	SIGNATURE

*Contract Work Hours and Safety Standards Act

AUTHORIZED FOR LOCAL REPRODUCTION
 Previous edition is usable

STANDARD FORM 1446 (REV. 12-90)
 Prescribed by GSA-FAR (48 CFR) 53.222(h)

6.7 WAGE SURVEYS

6.7.1 Purpose

Wage surveys are the means by which the USDOL gathers information to update the WD's prevailing wage rates. New wage decisions were posted for every county in Florida in September 2013.

6.7.2 Requirements

Wage surveys will be conducted when the USDOL initiates them and commits to publishing new wage tables from the surveys. USDOL will outline the time period for which survey data will be collected, which is usually for a year's time period. The Prevailing Wage Rate Coordinator, along with the District Contract Compliance personnel, will encourage contractor participation by means of announcements and workshops in the districts and communication through the contractor's associations. The points will be stressed that (1) the results of the survey's accuracy are determined by the amount of participation (poor participation creates erratic rates in the wage tables); (2) once the survey is done, rates will be in effect for at least the next three years, and (3) if voluntary participation is not successful, FDOT will have no choice but to return to a contract requirement method of collecting data.

6.7.3 Data Collection

USDOL will provide the forms and assemble the data when collected. Instruction will be given by USDOL and/or FDOT to help guide contractors through the survey process.

6.8 FRINGE BENEFITS

6.8.1 General Information

A Wage Determination (WD) may contain two separate requirements for any individual classification: "Hourly Rate" and "Fringe Benefit," the sum of which is the "prevailing wage" for the classification. "Rate" refers to a monetary wage and "Fringe" refers to payments for a bona fide fringe benefit.

Contractors may meet the prevailing wage requirement for a classification by paying combinations of cash and bona fide fringe benefits:

- Paying the sum in cash
- Paying cash and making or incurring cost for "bona fide" fringe benefits
- Any combination of the above

Under the **Davis-Bacon Act**, monetary wages paid in excess of the specified "Rate" may be used as an offset or credit to satisfy fringe benefit obligations. Likewise, excess Fringe benefits may be used to satisfy the specified Rate provided the governmental minimum wage (Florida Minimum Wage) is honored in cash. Fringe benefits that exceed the fringe benefit limit on the Wage Decision and require part of the minimum base rate listed on

the Wage Decision to be used, are considered to be part of the employee’s minimum base rate in meeting the prevailing wage. Bona fide fringe benefits do not require the approval of USDOL. If they exceed the limit of fringe benefits on the Wage Decision and require cutting into the minimum base rate on the Wage Decision, the employee’s approval is not required, but the plan must be communicated to the employee in writing. The employee should be allowed to opt out of any fringe in which they would be termed ineligible or that is a deduction to the Base Rate on the Wage Decision. See 29 CFR part 3.5.

Where excess fringe benefits are used to offset the Rate, an employee’s overtime pay of time-and-a half must be based on at least the “Rate” specified in the General Wage Decision.

6.8.2 Fringe Statements on Wage Determinations

The WD may state the Fringe for a specific classification in a variety of ways:

Fringe stated as:	General Decision Number FL xxx xxx		
	CLASSIFICATION	HOURLY RATE	FRINGE RATE
Dollar amount per hour	Loader	\$12.00	\$2.00
Percent	Driver	\$12.00	3%
Specific benefit described in a footnote of the WD	Painter	\$12.00	(a)
Percent plus Dollar amount per hour plus	Carpenter	\$12.00	3%+ \$2.00
Percent, Dollar amount per hour plus footnote	Loader	\$12.00	3%, \$2.00, (a)
Sample WD Footnote:			
(a) Four (4) Paid Holidays per year			

The value of fringe stated as a percent is calculated by multiplying the percent times the WD Rate. The value of a fringe described in a footnote is calculated using the WD rate unless otherwise specified.

Attachment 6.8.2.1 Fringe Calculation Examples

Example 1

CLASSIFICATION	WD RATE	WD FRINGE	
Loader	\$12.00	\$2.00	
<p>The employee must be paid a minimum of the combined "WD Rate" plus "WD Fringe" for the first 40 hours each week. Many combinations are allowable:</p>			
Alternative	Cash Paid	WD Fringe Value	Total Paid per Hour
A	\$12.00	\$2.00	\$14.00
B	\$14.00	0	\$14.00
C	\$10.00	\$4.00	\$14.00
D	\$12.26	\$1.74	\$14.00
<p>Hours over 40 per week must be calculated at a minimum of the "WD Rate" times the one-and-a-half (1.5) "overtime premium." Fringe for overtime is paid at the straight time rate.</p>			
\$12.00	X 1.5=	\$18.00 +\$2.00 = \$20.00/hr Overtime Rate	

Example 2

CLASSIFICATION	WD RATE	WD FRINGE	
Loader	\$12.00	\$2.00	
<p>If the employee receives bona fide fringe benefits or the employer contributes to funded benefit plans, those benefits may be used to satisfy the combined "WD Rate" and "WD Fringe" amount. Pay for the first 40 hours each week may be:</p>			
Example	Cash Paid	WD Fringe Value	Total Paid per Hour
E	\$11.50	\$2.50	\$14.00
<p>If the employee works more than 40 hours per week and the amount for the bona fide fringe benefit or the funded benefit plan is fulfilled by the 40 hours of straight time, then the "WD Fringe" for overtime hours is paid in cash.</p>			
<p>Hours over 40 per week must be paid a minimum of the "WD Rate" times the one-and-a-half (1.5) "overtime premium" and the fringe for overtime is paid in cash since the benefits were fully funded from the first 40 hours.</p>			
\$12.00	X 1.5=	\$18.00 +\$2.00 = \$20.00/hr Overtime Rate	

Example 3

CLASSIFICATION	WD RATE	WD FRINGE	
Carpenter	\$12.00	3% + \$2.00	
<p>Fringe stated as a percent is calculated by multiplying the percent times the "WD Rate."</p>			
<p>Calculating the Value of for Fringe for Example 3:</p>			
\$12.00x .03=		\$0.75	
Plus WD Fringe \$		\$2.00	
WD Fringe Value		\$2.75	
<p>The employee must be paid a minimum of the combined "WD Rate" plus "WD Fringe" for the first 40 hours each week</p>			
Example	WD Rate	WD Fringe Value	Total Paid per Hour
F	\$12.00	\$2.75	\$14.75

Example 4

CLASSIFICATION	WD RATE	WD FRINGE	
Carpenter	\$12.00	3%+\$2.00+(a)	
<p>(a) Four (4) Paid Holidays per year</p>			
<p>Fringe described in a footnote is calculated using the "WD Rate" unless otherwise specified</p>			
<p>Calculating the Value of Fringe for Example 3:</p>			
\$12.00x .03=		\$0.75	
Plus WD Fringe \$2.00		\$2.00	
Plus (a) 4 Holidays X 8 Hr per day X \$12=\$384.00 Hourly value of (a): \$384.00/ (53 wks x 40hrs=		\$0.18	
WD Fringe Value		\$2.93	
<p>The employee must be paid a minimum of the combined "WD Rate" plus "WD Fringe" for the first 40 hours each week</p>			
Example	WD Rate	WD Fringe Value	Total Paid per Hour
G	\$12.00	\$2.93	\$14.93

6.8.3 Fringe Benefits: Work Hour and Overtime Requirements

Where a WD specifies “Rate” and “Fringe,” fringe benefits must be paid for all hours worked, including overtime. Overtime wages, including overtime fringe benefit payments are governed by Contract Work Hours and Safety Standards Act (CWHSSA).

The fringe amount may be excluded from the time and a half premium for overtime; fringe may be paid at the straight rate (versus the time-and-a-half rate) for overtime hours. Cash payments made to meet a required Wage Determination fringe benefit amount are excluded from the time and a half (1.5) premium for overtime; cash payment of fringe benefit requirements are paid at the rate of 1.0 for each overtime hour.

Following are three alternatives for the proper payment of fringe for overtime hours.

Example: Cement Mason on a contract that utilizes the below general decision

General Decision Number FL xxx xxxxx		
CLASSIFICATION	RATE	FRINGE
Cement Mason/Concrete finisher	\$12.00	\$2.50

The Cement Mason works 44 hours during one pay period.

The employee’s total compensation will be \$662.00. However, gross wages on the paycheck may be less due to satisfying all, some or more of the fringe requirements in benefits.

ALTERNATIVE 1: Contractor pays rate and fringe in cash only; no bona fide fringe benefits are involved. Overtime must be paid at one and a half times the sum of the cash paid rate and 1 time the fringe for every hour of work over 40 hours:

Cash Wage	\$14.50	(=\$12+2.50; no bona fide fringes)
Straight time	\$580.00	(=40 hrs x \$14.50)
overtime	\$72.00	(=4 hrs x (\$12.00 x 1.5) (1.5 premium on wages only)
	\$10.00	(=4 hrs x (\$2.50x 1.0) (no 1.5 premium on fringe benefits)
Gross Wages	\$662.00	

ALTERNATIVE 2: Contractor pays rate in cash and fringe in bona fide benefits. Only the rate is subject to one and a half premium and the fringe is paid at straight rate for overtime:

Cash Wage	\$12.00	(and bona fide fringes equivalent to \$2.50)
Straight time	\$480.00	(=40 hrs x \$12.00)
Overtime	\$72.00	(=4 hrs x (\$12.00 x 1.5) (1.5 premium on wages only)
Gross Wages	\$552.00	

For fringe benefits, a total of \$2.50 must be paid into a plan, fund or program on every hour worked, including overtime. *

ALTERNATIVE 3: Contractor pays cash at lower than the specified rate and pays fringes greater than specified. The one and a half overtime premium is paid 1½ the specified rate.

Cash Wage	\$10.00	(and bona fide fringes equivalent to \$4.50)
Straight time	\$400.00	(=40 hrs x \$10.00)
overtime	\$72.00	(=4 hrs x (\$12.00 x 1.5))
Gross Wages	\$472.00	Plus bona fide fringe benefits

For fringe benefits, any hours over 40, \$2.50 must be paid into a plan, fund or program to meet requirements.*

*If a contractor is unable to pay fringe benefits into a plan, fund or program for overtime hours he will pay the overtime fringe benefit requirement to the employee in cash.

6.8.4 Bona Fide Fringe Benefits

Bona fide fringe benefits allowed by law include;

- Funded benefit plans:
 - Insurance: Life, health, dental,
 - Pension and 401K
- Unfunded benefit plans:
 - Vacation, holidays and sick leave

Deductions required by law such as taxes, social security, worker's compensation or unemployment compensation cannot be counted as a fringe benefit. Examples of items not considered bona fide fringe benefits include, but are not limited to the following:

- Personal use of a company vehicle
- Holiday cash bonus or food item
- Suggestion awards
- Recruitment bonuses
- Tools and other materials or services incidental to the employee's performance of the contract
- Cost of furnishing, laundering and maintaining uniforms or equipment where the contractor requires the employee to wear those items
- Cost of social functions, association dues, paid coffee breaks

6.8.4.1 Funded Benefit plans

Funded Benefit Plans involve contractor payments to a fund, plan or program where such payments are made irrevocably to a trustee or a third party. Insurance premiums paid irrevocably to a third party (e.g., insurance carrier) and employer 401K contributions and pension fund payments to a third party are examples of funded benefit plans. These may be credited toward the prevailing wage requirements if all requirements are met including the following;

- Such payments must be made regularly and at least quarterly. Profit sharing plans are bona fide fringe benefits provided the contractor escrows money at least quarterly on the basis of what the profit is expected to be.
- Fringe benefit contributions may not be claimed for employees who are not eligible for the benefit. (e.g., excluded because of part time status)
- Contributions to pension plans which meet **ERISA (Employment Retirement Income Security Act)** requirements are considered bona fide.
- Contributions to pension plans which contain “vesting requirements” (e.g. the employee is required to complete a certain length of employment) are bona fide provided the contractor’s contributions for the employees who do not meet the requirement are not reverted, credited and/or returned to the employer but instead are distributed to the remaining pension participants.

Contributions made to funded fringe benefit plans are allowed based on the effective annual rate of contributions for all hours worked during the year by an employee, regardless of whether or not the hours were worked on a **Davis-Bacon project**. This is referred to as “annualization” Example

General Decision Number FL xxx xxxxx		
CLASSIFICATION	RATE	FRINGE
Cement Mason/Concrete finisher	\$12.00	\$2.50

The contractor provides the Mason a medical insurance premium contribution of \$200 per month, which is \$2400 per year (\$200 x 12 months). The employee’s annual hours are 2080 (52 weeks x 40 hours per week) so the hourly insurance premium contribution is \$1.15 (\$2400 annual premium divided by 2080 hours worked per year).

If the employee receives only medical insurance as a fringe benefit, then for each hour worked on projects covered by the Wage Determination, the employee’s pay is:

$$\begin{aligned}
 & \$12.00 \text{ hourly rate} \\
 & \quad 1.15 \text{ hourly fringe benefit for insurance premium} \\
 & \quad 1.35 \text{ additional cash due for fringe} \\
 & \quad \quad (= \$2.50 \text{ total fringe} - \$1.15 \text{ Insurance premium}) \\
 & \hline
 & \$14.50 \text{ } (\$12.00 \text{ Rate} + \$2.50 \text{ fringe})
 \end{aligned}$$

The certified payroll would report an hourly pay rate of \$13.35 (\$12.00+\$1.35) and the medical insurance would be identified as a fringe benefit.

6.8.4 2 Unfunded Benefit Plans

Unfunded or self-funded plan fringe benefits, monies are not paid by the contractor to a third party for future payments; rather the benefit is paid by the contractor as the benefit

is earned. Such plans must be submitted to the USDOL, National Office, to determine whether the benefits and the plan are “bono fide”. Common unfunded benefits include paid holidays, vacation or sick time. The USDOL requires contractors to set aside, in an account, sufficient assets to meet the future obligation of unfunded plans and to ensure that such plans are not used to avoid compliance.

Plans should be submitted to:

Branch Chief
Branch of Government Contracts Enforcement
Wage and Hour Division, Room S-3006
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, D.C. 20210

Unfunded benefits must also meet the following **Davis-Bacon** requirements in order to qualify as bona fide benefits:

- It is reasonably anticipated that the benefit will be provided to the employee
- The benefit is a commitment that can be legally enforced
- The benefit has a financially responsible plan or program
- The benefit has been communicated in writing to the employees

The fringe contribution of most unfunded benefit plans varies based on the employee’s actual hourly rate of pay. The following is an example of how 40 hours paid vacation would be calculated as a fringe benefit for two different employees who work 2080 hours per year (52 weeks x 40 hours per week):

	Actual Rate of Pay (excluding fringe)	40 hours vacation pay	Per hour fringe contribution for 40 hours paid vacation
Employee A	\$10.00	\$400.00	\$0.19 (\$400 divided by 2080 hrs)
Employee B	\$15.00	\$600.00	\$0.29 (\$600 divided by 2080 hrs)

Note: The total hours an employee works in the year whether on projects covered or not covered by **Davis-Bacon** are included for calculating the hourly contribution rate.

If unused paid time off is forfeited upon termination, then the per hour cost must be computed on the basis of the time off paid to the employee unless the employee is paid in full for time off upon termination.

Paid holiday hours may be counted as a bona fide benefit provided the employee who works any part of the week in which the holiday occurs will be paid the entire holiday pay.

Contractors who require employees to work the day before and/or the day after the holiday in order to earn holiday pay, may be subject to verifications to prove the absence of arbitrary layoffs, and/ or other impermissible acts taken to avoid payment.

6.8.5 Administrative Expenses

The administrative expenses incurred by a contractor in connection with the administration of a bona fide fringe benefit plan are creditable towards satisfying the prevailing wage requirement. If an administrative fee is charged to the employee, it must be a valid expense and the employer must be able to show proof of the expense. Administrative fees for the deduction of child support payments are set by the Florida Statutes (see **Section 61.301, Florida Statutes**).

6.8.6. Reporting Payment of Fringe Benefits on the Statement of Compliance

If fringes apply to the classifications utilized on your certified payroll, then on the **Statement of Compliance Form 700-010-69**) either box 4(a) or 4(b) will be checked and any exceptions to the box that is checked will be listed in box 4(c). The contractor will never check both boxes.

Contractors who satisfy the Fringe benefit requirements of a Wage Determination by making payments to an approved plan, fund or program, report such by checking box 4(a) on the Statement of Compliance. This signifies that the contractor is making payments for fringe benefits to appropriate programs for the benefit of the employee(s). The section for box 4(a) reads “where fringe benefits are paid to approved plans, funds or programs.” Any exceptions shall be noted in section 4(c).

If the contractor is satisfying fringe benefit requirements by paying employees in cash, then box 4(b) on the Statement of Compliance is checked. The section for box 4(b) reads “Where Fringe benefits are paid in cash.” Any exceptions shall be noted in section 4(c).

Enter in the Exception column of box 4(c) the craft and enter in the Explanation column the hourly amount paid the employee as cash in lieu of fringes and the hourly amount paid to plans, funds, or programs as fringes, or the explanation of why this employee is different.

6.8.7 Fringe Benefit Record Keeping Requirement

Fringe benefit contributions may not be averaged; credit may only be taken based on individual employee calculations. If fringe benefits are claimed toward the wage requirement, employer records must demonstrate that for each reported employee, payments were made, or costs incurred for eligible fringe benefits. This includes a detailed accounting of all deductions made and the identification of funds. The contractor may be required to submit such calculations in support of their compliance with payroll requirements. An example of calculation records for two employees is shown below:

EMPLOYEE RATE & FRINGE CALCULATIONS					EMPLOYEE FRINGE BENEFIT CALCULATIONS						ADDITIONAL CASH PAYMENT FOR FRINGE
CLASSIFI.	EMPL.	EMP'S HOURLY PAY RATE	WAGE TABLE		MEDICAL See #1	LIFE INSUR See #2	DENTAL INSUR See #3	PAID VAC-ATION See #4	PAID HOL-IDAYS See #5	TOTAL PAID FRINGE	
			RATE	FRINGE							
CARP-ENTER	SMIT, J	\$8.00	\$8.00	\$0.76	\$1.73	\$0.46	\$0.26	\$0.15	\$0.18	\$2.78	\$0.00
CARP-ENTER	FUE,H	\$8.00	\$8.00	\$0.76	DECLINE D	\$0.06	DECLINE D	\$0.15	\$0.18	\$0.39	\$0.37
LOADER OPERATOR	GIR, M	\$11.00	\$9.50	\$1.50	NOT ELIGIBLE UNTIL 6 MOS SENIORITY					\$0.00	The \$1.50 paid excess of base Rate is considered as Fringe (\$11-9.50=\$1.50)

FUNDED FRINGE BENEFIT CALCULATIONS	(A) Total Monthly Premium	(B) Monthly portion of premium paid by company	(C) Annual Standard Hours (40 hrs per week X52 wks)	(D) Monthly Standard Hours (Annual Standard Hrs divided by 12 mo) (= C / 12)	(E) Hourly Fringe Benefit Amount (Monthly Portion of premium paid by company divided by Monthly Standard Hours) (= B / D)
MEDICAL-EMPLOYEE ONLY COVERAGE	\$600.00	\$300.00	2,080	173.33	\$1.73 (#1)
LIFE INSURANCE (\$10,000 DEATH BENEFIT)	\$80.00	\$80.00	2,080	173.33	\$0.46 (#2)
DENTAL INSUR-EMPLOYEE ONLY COVERAGE	\$45.00	\$45.00	2,080	173.33	\$0.26 (#3)

UNFUNDED FRINGE BENEFIT CALCULATIONS FOR \$8.00 HOURLY PAY RATE	(W) Paid Hours	(X) Employee Hourly Rate	(Y) Paid Hours. times Hourly Rate (= W x X)	(Z) Annual Value (Annual Value / Annual Standard Hours) (= Y / (40 Hr. per week x 52 Weeks))
PAID VACATION	5 days/yr @ 8hrs= 40 hrs	\$8.00	\$320.00	\$0.15 (#4)
PAID HOLIDAYS	6 days/yr @ 8hrs= 48 hrs	\$8.00	\$384.00	\$0.18 (#5)

6.8.8 Additional information on Davis-Bacon Fringe Benefits

Contractors are encouraged to research the details of **Davis-Bacon** Fringe benefit requirements and consult with District Contract Compliance Managers and the Prevailing Wage Rate Coordinator for additional information and assistance.