

Frequently asked questions-Prevailing Wage

Q. What is the prevailing wage rate?

A. The prevailing wage rate is the basic hourly rate paid on public works projects to a majority of workers engaged in a particular craft, classification or type of work within the locality and in the nearest labor market area (if a majority of such workers are paid at a single rate). If there is no single rate paid to a majority, then the single or modal rate being paid to the greater number of workers is prevailing.

Q. How does the prevailing wage affect me?

A. California's prevailing wage laws ensure that the ability to get a public works contract is not based on paying lower wage rates than a competitor. All bidders are required to use the same wage rates when bidding on a public works project. California law requires that not less than the general prevailing rate of per diem wages be paid to all workers employed on a public works project.

Q. What is a general prevailing wage determination?

A. When the director of the California Department of Industrial Relations determines that the general prevailing rate of per diem wages for a particular craft, classification, or type of worker is uniform throughout an area, the director issues a determination enumerated county by county, but covering the entire area. General determinations are issued twice a year on February 22 and August 22.

Q. What is a special prevailing wage determination?

A. When a particular craft, classification or type of worker is not covered by a general determination, the awarding body may request a special prevailing wage determination. Requests must be made at least 45 days prior to the bid advertisement date.

Q. What is an issue date?

A. The date upon which copies of the determination of the director are deposited in the mail. Determinations are issued twice a year - Feb. 22 and Aug. 22.

Q. Why is there an expiration date for each prevailing wage determination?

A. The expiration date indicates when the determination of the director of the California Department of Industrial Relations is subject to change.

Q. What does it mean when there is a single asterisk (*) after the expiration date of a prevailing wage determination?

A. Prevailing wage determinations with a single asterisk after the expiration date, which are in effect on the date of advertisement for bids, remain in effect for the life of the project. Interested parties should contact the Division of Labor Statistics and Research at (415) 703-4774 for the new rates after 10 days from the expiration date (if no subsequent determination is required) or visit our website.

Q. What does it mean when there are double asterisks () after the expiration date of a prevailing wage determination?**

A. Prevailing wage determinations with double asterisks after the expiration date indicate that the basic hourly wage rate, overtime, holiday pay rates and employers' payments for work performed after this date have been predetermined. If work is to extend past this date, the new rates must be paid and should be incorporated in contracts entered into now.

Q. What is a predetermined change?

A. Definite changes to the basic hourly wage rate, overtime, holiday pay rates and employer payments which are known and specified in the applicable collective bargaining agreement at the time of the bid advertisement date and which are referenced in the general prevailing rate of per diem wages.

Q. What is the effective date of a prevailing wage determination?

A. The date upon which the determinations of the director of the California Department of Industrial Relations go into effect. This date is 10 days after the issue date of the determination.

Q. What is a residential project?

A. Projects consisting of single-family homes and apartments up to and including four stories are subject to payment of prevailing wages when paid for in whole or in part out of public funds, including federally funded or assisted residential projects controlled or carried out by an awarding body.

Q. What is a commercial project?

A. All non-residential construction projects including new work, additions, alterations, reconstruction and repairs. This includes residential projects over four stories.

Q. What is a coverage determination?

A. A process in which the awarding body or any other interested party (such as a contractor, employee, union or labor-management compliance organization) may request a written determination by the director of the Department of Industrial Relations about a specific construction project or type of work to be performed.

Q. When does overtime apply?

A. Compensation for all hours worked in excess of eight hours per day and 40 hours during any one week should be not less than one-and-one-half times the basic rate of pay. For specific overtime requirements, please refer to the prevailing wage determinations.

Q. What are the threshold requirements for a public works project?

A. Prevailing wages must be paid to all workers employed on a public works project when the public works project is more than \$1,000. If an awarding body has a labor compliance program, prevailing wages are not required to be paid for any public works project of \$25,000 or less when the project is for construction work; or for any public works project of \$15,000 or less when the project is for alteration, demolition, repair or maintenance work.