



Wage Determinations Simplified

Updated guide on how to read & understand prevailing wage determinations

Construction companies that do prevailing wage work understand how difficult it can be to read and understand federal wage determinations. Looking them up and finding the correct determinations for every work classification on your project takes a lot of time. And, since prevailing wage determinations change regularly, there is the added complication of trying to stay ahead of updates.

Although our prevailing wage software is able to automate this, and other issues for prevailing wage projects, many construction companies are still managing it manually. We created this guide to help make it a bit easier to understand what wage determinations are, how to find and read them, along with how to avoid some of the “gotchas” related to wage determination and compliance.

What are prevailing wages & wage determinations?

A “wage determination” lists the minimum prevailing wage and fringe benefit rates that must be paid for each work classification in order to comply with prevailing wage laws, like Davis-Bacon and Related Acts (DBRA). The actual prevailing wage rate comes from wage surveys conducted by the Department of Labor and are typically published once a year. Wage determinations are created for each classification of laborers and mechanics. Additionally, some states have local prevailing wage laws and wage determinations for state, municipal or joint public works projects.

All of the information regarding your employee’s work classification, the prevailing hourly rate and fringe rate paid to them must be detailed in your certified payroll records. Understanding wage determinations, work classifications and certified reporting requirements is the basis for compliance and the responsibility of every construction company that does prevailing wage work.

How to find the right prevailing wage determination

The awarding agency will often provide you with the correct wage determinations for the project. Sometimes you’ll find this information in the project bid package. However, there are other times where the wage determination is not provided and you must find the correct prevailing wage for each work classification on your project.

In reality, it’s a good idea to always verify the wage determination for your projects, even if it is provided to you. This is because you’re responsible for ensuring that all prevailing wage laws are followed, right down to using the correct wage and fringe benefit amount. If you were to find yourself facing a compliance action, the investigating agency looks at you and not the awarding agency that provided you the info.

Where to find determinations?

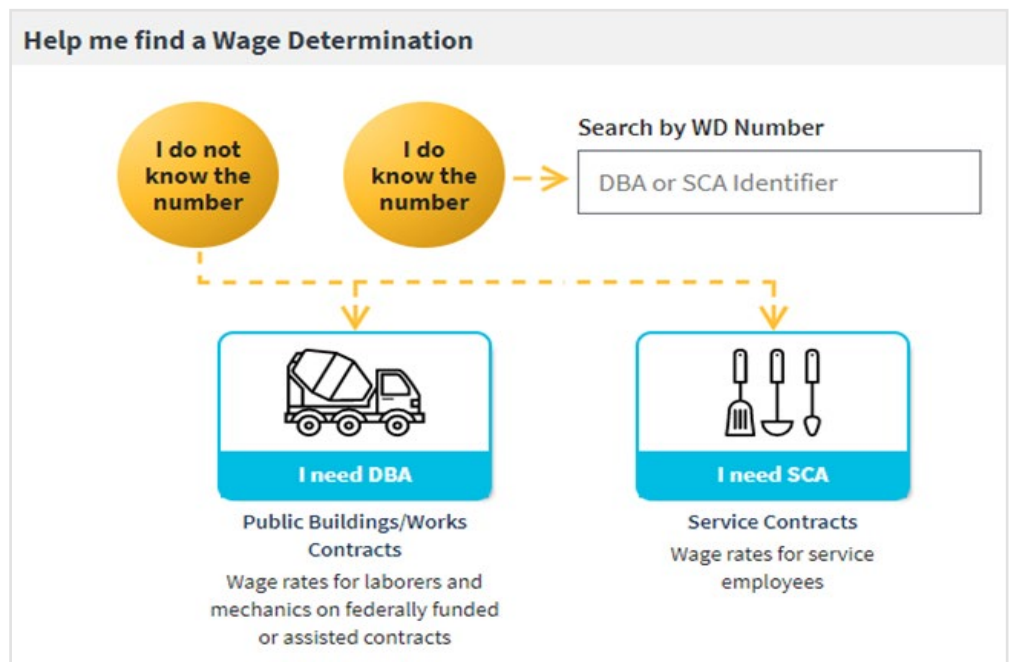
The Department of Labor (DOL) publishes official wage determinations on [Sam.Gov](https://sam.gov). Although it's listed as a beta site, this is the official government website for those that make, receive and manage federal awards. You can search for federal contract opportunities, find public award data on contracts awarded and search for the latest wage determinations. You can find current and historical wage determinations through their search tool, which can be confusing to navigate.

This site is only for federal wage determinations. If you are working on a state or city project in an area where there are local prevailing wage laws, you will need to look for local wage determination information. If you aren't sure where to look first, try finding your state's labor office. You can also view a list of services by state for each [Department of Labor](https://www.dol.gov). This can help you find local regulations, apprenticeship information and official links to local agencies.

How to search for determinations

When you first visit Sam.Gov, you will see a basic search engine that says, "Help me Find a Wage Determination." There are three options that you can choose here:

- **I do not know the number**
 - **I need DBA** – DBA stands for Davis Bacon Act and should be used for any kind of construction related work.
- **I do not know the number**
 - **I need SCA** – SCA stands for Service Contract Act and should be used for any kind of services that are provided to the government.
- **I do know the number** – If you know the actual wage determination number you can type it in here.



I do not know the number

Most people visiting Sam.Gov will not know the number of the wage determination they need to look up, but can research it by providing some key pieces of information, including:

- **State** – Which physical state is this work taking place in?
- **County** – Which county is this work taking place in? Make sure that you use a tool such as Google Maps to properly identify where the work is taking place. In some situations, determinations have extremely specific geo requirements.
- **Type of Work** – What is the type of work being done? For a DBA, there are four options that you can read about below.
- **Award Date** – This is the date that you were awarded the project.

Once you have these four pieces of data, you can start narrowing down your search for the correct wage determination. If you are looking up a historical determination for an in progress job, you will need to do more digging into each determination. If you are looking up the determination prospectively for a potential project, you can use the search tools on SAM.

Since Sam.Gov is a beta site, there are still a few “gotchas” that have not been ironed out by the General Services Administration (GSA), which includes:

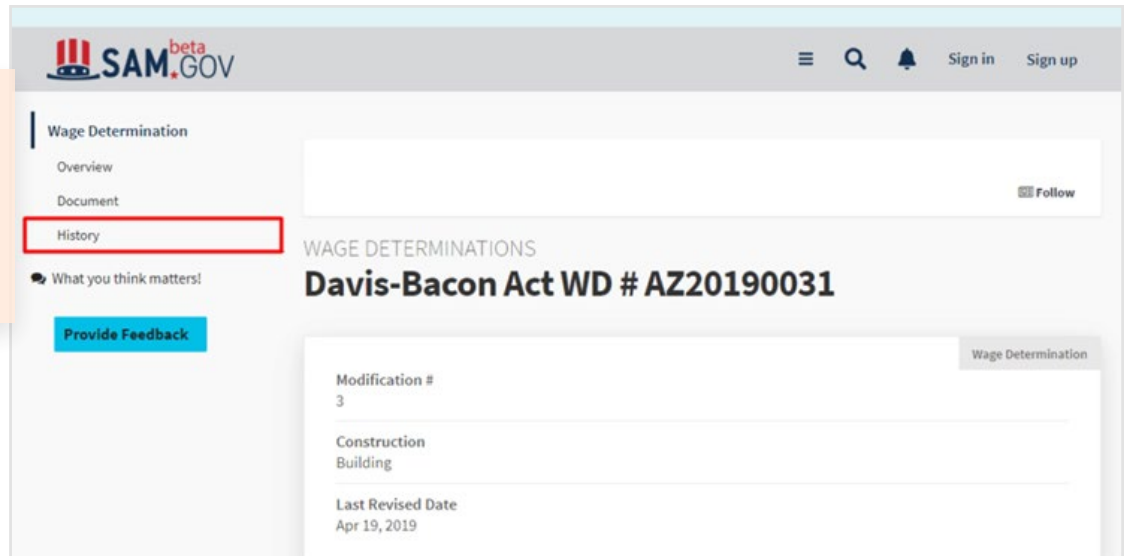
- For anything prior to 2019, there is very limited data to search by. The GSA did not archive the revision date, county or construction type for any record prior to 2019.
- When searching for anything prior to 2019, it is more effective to look at the specific state and uncheck the box that says, “Active Only” and type the YEAR of the determination you are looking for into the keywords section.

On the left side of SAM, type in the state, county and work type. This should bring up a smaller subset of search results on the right side. You can then click into each determination to see if it meets the criteria for your job.

Revisions

Click on the history button when you first look at a determination. Remember, the award date is extremely important in finding the proper determination. When you click on "History" you will find a list of revisions to the current determination. You want to find the revision that falls within the award date of your project.

Always hit history first to see if you are in the right 'scope' of a determination.



On the history section, you can look at the dates of revision for a determination to make sure you are within the right scope. In general, determination rates can go up or add more requirements, so you should use the newest one, if needed. However, we always recommend looking at what the variance is between the current determination and the revision that falls within your project time frame.

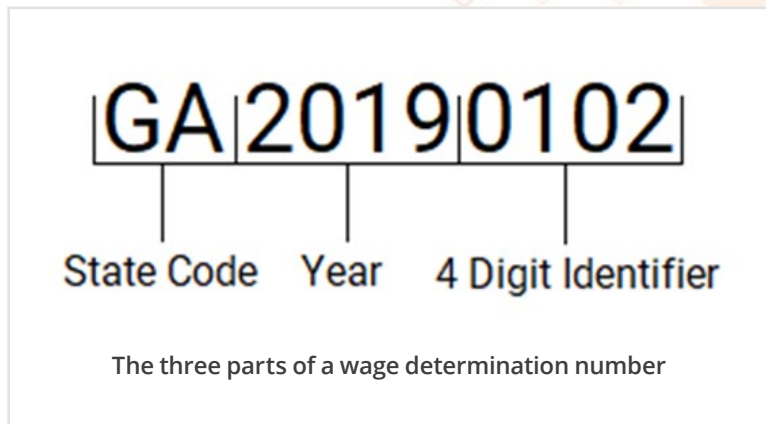
History

- Apr 19, 2019
AZ20190031 - Modification 3
- Apr 19, 2019
[AZ20190031 - Modification 2](#)
- Mar 08, 2019
[AZ20190031 - Modification 1](#)
- Feb 08, 2019
[AZ20190031 - Modification 0](#)

Wage Determination Number

Each wage determination has an identifier. These identifiers are used by agencies to make sure that you are using the correct determination. When you're scanning through determinations you can glean some information based on these identifiers:

- **State Code** – The two character state code (e.g. GA is for Georgia)
- **Year** – The year that this determination was revised in. As a rule of thumb, most determinations are revised each year, but not all.
- **4 Digit Identifier** – This is the code used to identify a wage determination. Sometimes you may see the “shorthand” of a determination (e.g. GA102 or AK4).



Construction Type

Davis Bacon Act wage determinations generally fall into four broad categories:

- Building
- Highway
- Heavy
- Residential

The Service Contract Act does not have different categories, it has classifications for specific regions. However, the actual classifications themselves can be extremely vague.

It is important to note that sometimes these definitions themselves may be modified, so it is important to read the determination closely to make sure that the type you select falls within the scope of your actual work.

Some determinations may have multiple construction types that apply to it, e.g. Heavy or Highway. Furthermore some determinations may say “Heavy,” but are specifically for dam construction or dredging projects. This is why its so important to read the wage determinations closely to ensure you’re using the right one for your specific project, taking all factors into account.

"General Decision Number: AZ20190031 04/19/2019

Superseded General Decision Number: AZ20180032

State: Arizona

Construction Type: Building

County: Maricopa County in Arizona.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

On a determination there are two sections to look at when deciding if this applies to you. 1) Construction type. 2) Definition of the construction type.

Remember, you should always read the definition, which is usually below the construction type header. This is extremely important when looking at things such as heavy work in some states.

Areas and Counties

Each determination is either:

- A statewide determination, in which case all counties in the state fall within the scope of the determination.
- Or specific to a list of counties or free cities inside of that state.

When reviewing a wage determination, it is important to note that even if a county is mentioned at the top of the wage determination, it does not necessarily mean that every classification in that determination will apply to it. This is because each classification can be further sub-classified into specific sections and chunks of a county.

Some determinations also have explicit exclusions of regions from an area even if that region would be included within those counties. For example:

Example of a county with an explicit exclusion inside of it.

"General Decision Number: AZ20190012 07/19/2019

Superseded General Decision Number: AZ20180012

State: Arizona

Construction Type: Residential

Counties: Coconino and Yavapai Counties in Arizona.

EXCLUDING NAVAJO INDIAN RESERVATION

In the determination above, the counties of Coconino and Yavapai in Arizona have an exclusion area of the Navajo Indian Reservation. When figuring out your determination, it is extremely important to be familiar with the geography of your job, especially if it is a remote area. County lines can get blurry around the edges in these types of areas.

Executive Orders and Wage Determinations

Determinations may have executive orders attached to them. An executive order might be mentioned at the top of the document or after all of the classifications. Executive orders tend to supersede any specific sections within the wage determination. For example, Executive Order 13658 established a minimum wage at \$10.60 for all contractors doing federal projects. This minimum wage is a little higher than the federal minimum wage at the time of this writing. What this means is that any classification that pays below the threshold will automatically be bumped up to \$10.60.

As you read through a determination, knowing about these executive orders is critical, because there are classifications that have hourly rates that are below the minimum wage, but have not been properly updated to reflect it.

Classifications

Rate Identifiers

Each chunk of classifications is prefixed with a rate identifier and a date. The codes are usually informational only, but knowing them can help you understand the details of how a determination was created.

The highlighted portion is a rate identifier

BRAZ0003-007 07/01/2018

Rates

Fr

BRICKLAYER.....\$ 26.06

ZONE PAY:

**(Radius miles from the intersection of Central Av
Washington St., Phoenix, AZ)**

Here are some example classification codes and what they mean:

- **SUAZ2011-005**
 - If you see an SU it means that no specific rate prevailed for the classifications, and therefore the published rate is figured out by computing a weighted rate based on all rates submitted during the latest wage survey.
 - 2011 means that the last date of the survey was 2011.
 - 005 is an internal classification tool at the Department of Labor
- **IRON0075-008**
 - If a classification does not start with a SU or UAVG, then it used the local union for the wages. IRON stands for IRON Union.
 - 0075 is the union number (e.g. Iron Union Local 0075).
 - 008 is an internal Department of Labor classification.
- **UAVG-OH-0010**
 - The classifications for UAVG mean that there was no single majority rate for these classifications. However, 100% of the data submitted to the Department of Labor was from a union.
 - OH indicates the state
 - 0010 is the internal number
 - UAVG rates are updated once a year — usually in January to reflect the weighted average of the current negotiated / collective bargaining agreement rate of the local unions.

Area Modifiers to a Rate

Example of a determination with a specific area modifier

ENGI0106-005 07/01/2018

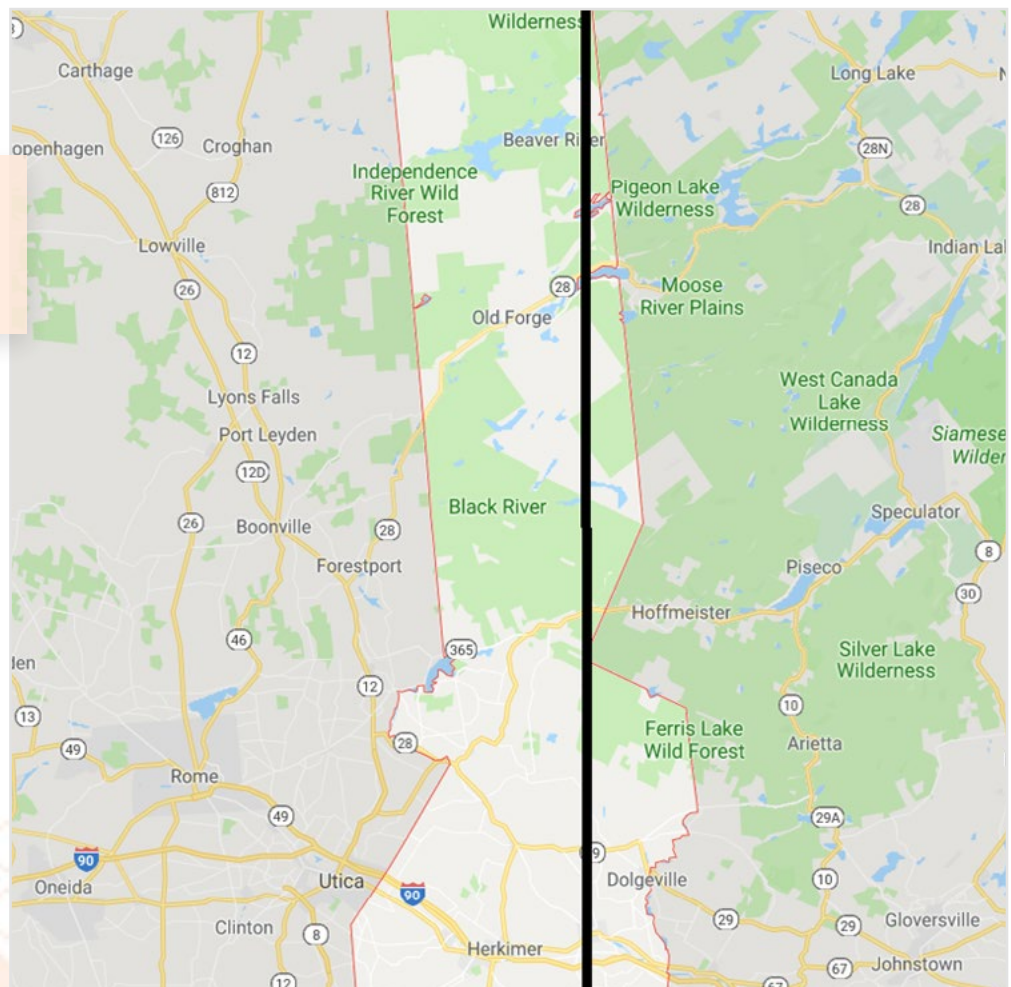
HERKIMER COUNTY (Area East of a line running North and South through the railroad station at Little Falls)

County Wage Determinations

As you can see, there are many complications that can make selecting the correct wage determination difficult. One additional thing to be cautious about when looking at a specific set of rates are the county modifiers. Each rate area can be divided into smaller rate areas on the same determination. Sometimes you will see determinations that say that it is “statewide” only to find that each specific classification is for a different area.

County areas are not always easy to figure out either. In the example for Herkimer County, you would need to open Google Maps and draw a line running north and south through the railroad station at Little Falls, New York. Anything that is east of this and within the county would fall under this classification and anything west would fall under another classification.

Using Google Maps you can look to see if your project is east or west of the train station in Little Falls.



Work Classifications and Wage Determinations

Each line in a wage determination indicates a separate group of work classifications. A work classification is the type of work that an employee performs while on the project. For each one you will see associated prevailing wage rates and fringe benefit rates.

Finding the right classification is half the battle of making sure you're paying your employees correctly. Each classification can have many different modifiers, such as area or distance. Some classifications can also be confusing to read and understand exactly how it applies to your workforce.

A good rule of thumb is to try to find the classification that explicitly covers the type of work you are actually doing on the jobsite. If you cannot find something specific, start moving towards something more broad.

Highlighted in red are a list of classifications for the rate identifier SUOH2012

Wage determinations do not have a set list of classifications on each document. Sometimes you will find that within a state there could be two separate classifications based on two wage determinations that the same person may work. Always read each wage determination separately and do not rely too heavily on the past experience of choosing a specific classification.

Lastly, some classifications such as welding inherit their classification based on the type of welding that they are doing. Welding is considered incidental to the actual classification happening. In the above wage determination, if someone was welding while doing roofing work, you'd use the roofing classification.

SUOH2012-010 07/20/2012		
	Rates	Fringes
BRICKLAYER.....	\$ 28.40	11.78
CARPENTER.....	\$ 20.19	6.51
LABORER: Common or General.....	\$ 21.50	5.23
OPERATOR: Backhoe/Excavator.....	\$ 29.49	11.16
OPERATOR: Bobcat/Skid Steer/Skid Loader.....	\$ 29.49	11.16
PLUMBER.....	\$ 20.00	5.52
ROOFER.....	\$ 16.85	3.83

* PLUM0392-004 06/01/2019		
	Rates	Fringes
PIPEFITTER (Includes HVAC Pipe Installation, Excludes HVAC Unit Installation).....	\$ 32.81	21.27
PLUMBER (Includes HVAC Unit Installation, Excludes HVAC Pipe Installation).....	\$ 32.81	21.27

Example of two classifications with very specific scopes of work

Rates

The rate is the minimum that you can pay an employee for each hour worked while on that classification. When you are filling out or reporting your hours to the government, you must ensure that you are paying your employees at least this amount.

ENGI0066-026 06/01/2017		
	Rates	Fringes
POWER EQUIPMENT OPERATOR		
Crane.....	\$ 22.08	19.66

Rate for a power equipment operator on a Crane is \$22.08 per hour

Prevailing wage rates can have modifiers based on a whole slew of different conditions. If you have specific conditions based on rates, you need to make sure that you are accurately tracking the time and attendance of employees who may switch between these tasks. In the example above, if an employee is operating a 150' crane and then moves to a 151' crane, they will need be paid different amounts per hour.

GROUP A(1): Crane Premiums

- 1 over 150' : add \$1.00
- 2 over 200' : add \$2.00

Example of a payment modifier for Cranes.

Fringes

Fringe benefits are an area of potential over-payments for a lot of contractors. To start, the fringe amount is the amount of fringe dollars that must be paid to an employee per hour worked on that classification. If you cannot offer employees the amount of money in fringes each hour, then you must cover any differences with cash that is added to the hourly rate of the employee.

* ROOF0195-001 06/01/2019		
	Rates	Fringes
ROOFER.....	\$ 27.00	23.11

Roofers in this determination must earn \$23.11 of fringe payments per hour.

What are examples of fringe benefits? Fringes are monies that the employer gives the employee as part of their employment. Most fringe payments must be annualized, so that these fringe dollars are not just offered during certified projects. Fringes can be things such as employer contributions to medical plans, pension plans and HSA contributions. They cannot be things that do not directly benefit the employee such as uniform deductions.

Much like rates, fringes can also be modified. In the above example there are additional fringes that must be paid — one is additional vacation based on tenure of the elevator constructor. The second is a list of holidays that must be paid out. Holidays are mentioned below. However, some classifications may have holidays that are not standard with the governments definition.

ELEV0035-002 01/01/2019		
	Rates	Fringes
Elevator Constructor.....	\$ 46.00	33.705+a+b
FOOTNOTE:		
a.Vacation: 6%/under 5 years based on regular hourly rate for all hours worked. 8%/over 5 years based on regular hourly rate for all hours worked.		
b. PAID HOLIDAYS: New Year's Day; Memorial Day; Independence Day; Labor Day; Veterans' Day; Thanksgiving Day; the Friday after Thanksgiving Day; and Christmas Day.		
Example of a footnote on a fringe for an New York Elevator Constructor		

ELECTRICIAN (LINE CONSTRUCTION: LIGHTING AND TRAFFIC SIGNAL Including any and all Fiber Optic Cable necessary for Traffic Signal Systems, Traffic Monitoring systems and Road Weather information systems)		
Flagman.....	\$ 27.00	6.75%+24.15
Groundman (Truck Driver)....	\$ 36.00	6.75%+24.15
Groundman Truck Driver (tractor trailer unit).....	\$ 36.00	6.75%+24.15

What does a percentage mean on a fringe payment? When you see a percentage, this means that you have to pay a percent of the hourly wage per hour in fringes to that employee. This really affects contractors who pay above the prevailing wage and makes sure that the amount of the fringe keeps up with the amount of pay. In the example above, a flagman is paid a base of \$27 an hour, meaning that the fringe would be \$25.97 per hour. If the flagman was paid \$50 an hour, it would mean a required fringe of \$27.53 per hour.

Zone Pay

Classifications can have additional hourly rates based on the distances from a landmark in that state. Some areas that are remote are harder to get to and thus warrant a higher pay. When figuring out a zone, you should map your job site to the center of the location mentioned in the radius. You can use tools like Google Maps to map "as the crow flies" from one zone to another zone.

	Rates	Fringes
BRICKLAYER.....	\$ 26.06	7.28

ZONE PAY:

(Radius miles from the intersection of Central Ave. and Washington St., Phoenix, AZ)

Zone A: 0-60 miles- Base Rate

Zone B: 61-75 miles- Base Rate plus \$2.00 per hour

Zone C: 75-100 miles- Base Rate plus \$3.00 per hour

Zone D: 101-200 miles- Base Rate plus \$3.50 per hour

Zone E: Over 200 miles- Base Rate plus \$6.50 per hour

Zone pay for a bricklayer in Northern Arizona

PAIN0086-006 04/01/2017

	Rates	Fringes
DRYWALL FINISHER/TAPER		
ZONE A.....	\$ 20.05	6.68
ZONE B.....	\$ 23.55	6.68

ZONE PAY:

ZONE A: Free Zone: A distance of 0 to 100 miles from the old Phoenix courthouse.

ZONE B: A distance of 101 miles and over from the old Phoenix courthouse: \$3.50 per hour over ZONE A

Example of zone pay that is not based on the same distance points

Groups

Classifications may also reference groups instead of a specific descriptive classification. Groups are generally large lists of what kind of work or action constitutes that pay. You will see these a lot in trades such as laborer or power equipment operator. When classifying employees, you need to have your employees explicitly mention what kind of equipment they are working on for time tracking purposes, especially if you do not have dedicated employees working on a specific piece of equipment. Past Department of Labor audits have shown that auditors typically make sure that each action of work is paid in line with the actual classification on the document.

ENGI0545-002 07/01/2017

	Rates	Fringes
Power equipment operators:		
GROUP 1.....	\$ 40.80	25.15+a
GROUP 2.....	\$ 39.92	25.15+a
GROUP 3.....	\$ 36.64	25.15+a
GROUP 4.....	\$ 44.80	25.15+a
GROUP 5.....	\$ 43.80	25.15+a
GROUP 6.....	\$ 42.80	25.15+a
GROUP 7.....	\$ 42.15	25.15+a

POWER EQUIPMENT OPERATORS CLASSIFICATIONS

GROUP 1: Asphalt Curb Machine, Self Propelled, Slipform, Automated Concrete Spreader (CMI Type), Automatic Fine Grader, Backhoe (Except Tractor Mounted, Rubber Tired),

Power equipment operators groups

Holidays

Even if the wage determination does not explicitly mention holidays, you still need to pay for all federal holidays. Some states have more specific holiday requirements, such as Nevada for State Day. Always check in the classification for holidays that may need to be paid while on the project.

FOOTNOTE:

a. New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, plus President's Day, Good Friday, Decoration Day, Election Day for the President of the United States and Election Day for the Governor of the State of New York, provided the employee works the day before or the day after the holiday.

A classification that explicitly indicates which holidays should be given

How to properly classify work in your time & attendance system

The best way to guarantee that you are paying the right wages is by having a robust time and attendance platform that can properly assign the task that an employee does to the actual classification on the wage determination. Most contractors do not work 100% of their jobs on certified payroll projects and because of this, they need to make sure that when they do, they can back into the classification based on the task and type of work performed.

Within your time and attendance system, make sure that you can accurately map a determination directly to your task or job codes. Train employees to clearly document when they switch from one piece of equipment or from one task to another in a reliable

tracking application. This is critical to ensure that you're paying the correct prevailing wage and that you're staying compliant with all DBA laws.

For companies looking to simplify wage determinations and prevailing wage compliance, software like our advanced platform can make all the difference. We built our system specifically for the construction industry, streamlining everything involved in certified payroll, reporting and prevailing wage compliance.

If you have any specific questions about how to read a determination, please contact us today.

The material presented here is educational in nature and is not intended to be, nor should be relied upon, as legal or financial advice. Please consult with an attorney or financial professional for advice.

Construction Compliance Resources

[OSHA Compliance Assistance Quick Start](#)

[U.S. Department of Labor Prevailing Wage Seminars](#)

[Wage Determinations Learning Center](#)

[U.S. Department of Labor Davis-Bacon info center](#)

[California Department of Industrial Relations](#)

[Certified payroll FAQs](#)

[Four ways to make certified payroll easier](#)

[Solving construction time keeping problems](#)

[Government contracting compliance tips](#)

Thank you.

Want more information?

Visit eBacon.com

