

# MISSOURI DEPARTMENT OF LABOR ISSUES IMPORTANT MEMO ON PREVAILING WAGE

The Missouri Department of Labor (DOL) has issued a very important memo impacting all Missouri construction companies performing work on Missouri prevailing wage projects. The memo clarifies Prevailing Wage Law, Sec. 2901.210-290.340, RSMo and the DOL's regulations at 8 C.S.R. 30-3.030(2) regarding the amount apprentices must be paid on Missouri prevailing wage projects.

The wage orders that govern pay for employees on prevailing wage projects do not address apprentices who are registered in an approved apprenticeship program. Those individuals are permitted to be paid less than the prevailing wage, which is comprised of cash wages and benefits. The regulation regarding apprentice pay states "apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program." The memo clarifies that all apprentices must be paid a percentage of the fringe benefit component of the prevailing wage for that classification of employee regardless of the approved program's provisions.

This change impacts any and all apprentices employed and working on Missouri prevailing wage projects and especially those in which the approved program provided for a set dollar benefit package through the apprenticeship program levels of progress.

An example of how this could be a problem is illustrated by the following apprentice wage and benefit progression:

Term		%		Wage per hour	Total fringe package per hour
		o			
		f			
		j			
		o			
		u			

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Robert A. Kaiser

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	r n e y m a n w a g e		
4	40%	\$16	\$4
5	45%	\$18	\$4
6	50%	\$20	\$4

Contractors applying the prevailing wage regulations could previously interpret the regulations to mean that the apprentice, whether they are earning 40%, 45% or 50% of the journey wage, would still only get paid the set fringe benefit amount of \$4 per hour as the approved program above does not increase the benefit amount in line with the percentage wage progression. The DOL memo makes clear that this interpretation of the regulations is not consistent with the DOL's interpretation.

Going forward, all apprentices must be paid a percentage of the prevailing wage for both cash wages and fringe benefits regardless of what wages and benefits are set forth in the approved apprenticeship program. Contractors must multiply the percentage applicable to the apprentice's progress by the prevailing wage for the classification. Importantly, the DOL will only apply this to projects bid after December 1, 2015, and all jobs bid, started or completed before that day will not be subject to this interpretation.



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If you have any questions about this development please contact any member of the Employment and Labor group or your regular Armstrong Teasdale attorney.