

21. Is there a requirement to post the minimum wage rates for the various classifications of workers?

Yes. The scale of wages must be posted in a prominent and accessible place at the project work site.

22. As an officer, shareholder or director of a corporation, or a member of an LLC, if I perform hands on work on a public construction project site, must I be reported and paid on our certified payroll report?

Yes. As the corporation and LLC structure creates a separate legal entity for liabilities, the owners are considered employees of the business entity. Therefore, the business must report and pay owners the same as it would any other employee.

23. How long does an employer have to keep payroll records?

Payroll records must be kept for a period of three years.

24. Can the contractor put the worker's fringe benefit contribution into a plan without the worker's permission?

Yes, but only if the plan has been approved by the IRS.

25. What should workers do if they have not been paid properly?

The workers should discuss the matter with their employer, and contact the Wage and Hour Administration immediately if the employer does not pay the wages due. Workers should keep a personal record of their hours and save their pay stubs to help verify the amount of wages received. If work is performed in more than one occupation/classification, the worker should identify the specific time of day he/she performed the various work, as well as the total hours worked in each classification.

26. Are there any fees that must be paid when working on public construction?

Yes. Before beginning work the prime contractor (the person or entity who enters into the contract with the contracting agency) must file a "Notice of Work" ("NOW") form with DOLWD, and pay all applicable filing fees.

27. What are the filing fees and when do they apply?

The filing fee is one-percent of the total contract amount (including the value of all subcontract work) up to a maximum fee of \$5,000.00. There is no filing fee if the total contract amount is less than \$25,000.00; However, the completed "Notice of Work" ("NOW") form must still be submitted. Only the prime contractor must pay the filing fee (if applicable) and submit the "Notice of Work" ("NOW") form for a particular project. There are limited exceptions that apply to calculating and paying of filing fees. Be sure to contact the nearest Wage and Hour Regional Office if you have further questions.

28. Can we begin work on the contract and pay the filing fee and submit the "NOW" at a later date?

No, unless it is an emergency repair project. Before commencing work on the project, the prime contractor must first submit the completed "Notice of Work" ("NOW") form and pay any filing fees that apply. Upon receipt, DOLWD will generally process the "Notice of Work" ("NOW") form and credit the filing fees (if applicable) on the same day they are submitted and then work may commence.

29. What if the prime contractor begins work on the contract and fails to pay the filing fee and submit the "NOW"? Are there any consequences?

Yes. The department may direct the contracting agency to withhold accrued project/contract funds until the filing fees are paid and the required "Notice of Work" ("NOW") form is submitted.

30. Are there any forms that must be submitted upon completion of the contract?

Yes. Upon completion of all work on the public construction contract, the prime contractor must file (with the Alaska DOLWD) a "Notice of Completion" ("NOC") form together with any additional filing fees owed as a result of increased contract amounts.

31. What if our original contract is changed and the value of the work is reduced, do we receive a refund or a credit on the excess filing fees we paid at the start of the contract?

Yes. You will receive any applicable refund. A refund is usually reconciled at the conclusion of the contract and with the submittal of the "Notice of Completion" ("NOC") form.

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Public Construction in Alaska
The 31 most asked questions.



**ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT**

1. What is the Little Davis-Bacon Act?

The Little Davis-Bacon Act (LDBA) is a set of state laws in title 36 that establish minimum wage and associated requirements for labor on public construction contracts awarded by the State of Alaska or a political subdivision of the state which exceed \$2000. The minimum wage (also known as the prevailing wage) is applicable to construction-related workers. The Alaska Department of Labor and Workforce Development (DOLWD) publishes the prevailing minimum wages twice a year at: www.labor.state.ak.us/lss/pamp600.htm. The act's primary purpose is to establish a level playing field for labor costs associated with publicly funded construction projects.

2. What is the difference between Davis-Bacon and Little Davis-Bacon?

The Davis-Bacon Act (DBA) is a set of federal laws applicable to public construction projects funded by a federal agency. Some projects, such as highway projects, are funded with a mix of state and federal funds and are thus covered by both federal and state laws. In these cases, construction contractors must comply with the most stringent provisions of both sets of laws. Projects funded solely with federal funds through federal agencies are covered exclusively by the DBA and the state does not monitor these projects.

3. How is the State of Alaska divided with regard to prevailing wage rates?

There Are Two Primary Regions:
Northern Alaska (North Of N 63 Degrees)-region I
South Central/Southeast Alaska-region II

4. How do I pay an employee who works in several different classifications with different rates of pay?

As the employee is due the minimum prevailing rate for each classification, a contractor may break down the specific hours and rates at each classification or pay the highest wage classification. If the employee is paid at more than one rate and works overtime, the contractor will need to pay overtime at a weighted average of the straight time rates paid. Contact the nearest Wage and Hour office to determine the correct method for your situation.

5. How do I calculate overtime on prevailing rates of pay?

Overtime is calculated at one and one-half times the basic hourly rate of pay for hours worked in excess of eight hours in a day and in excess of 40 straight time hours in a week. Overtime does not apply to the fringe benefit amount, but must be paid for each hour worked (the same for both straight time and overtime hours). Example:

	SUN	MON	TUE	WED	THR	FRI	SAT
Standard Time	0	8	8	8	8	8	0
Overtime	0	2	2	3	1	0	9
TOTAL ST=40 hours X \$20.00 per hour =	\$ 800.00						
TOTAL OT=17 hours X \$30.00 per hour =	\$ 510.00						
TOTAL FB=57 hours X \$6.00 per hour =	\$ 342.00						
Total Weekly Earnings	= \$1,652.00						

6. How Often Are Certified Payrolls Submitted?

Certified payrolls are due by the Friday of every second week; however, some contractors submit weekly payroll reports.

7. How often do I have to pay my employees when they are working on a public construction project?

You must pay their wages weekly. There are no exceptions. Some contractors pay employees a cash draw for work performed in the first week and then make the final payment, along with withholdings, at the end of the two week reporting period.

8. What do I reference for the Alaska DOLWD project number?

The Alaska Wage and Hour Administration typically communicates project numbers through the cover sheet sent to the prime contractor for a particular project along with the brochure describing LDBA requirements. If a contractor has not received the project cover sheet, the nearest Wage and Hour office can provide assistance.

9. Do owner/operators have to be listed on certified payrolls?

Yes. An owner/operator is an owner of a sole proprietorship or partnership who performs hands on work at a public construction site. The information required for owner/operators is the same as for employees, except that bona-fide owner operators are not required to pay themselves weekly. For specific questions in this area, please contact the nearest Wage and Hour Regional Office.

10. Can I pay my employee a training wage while he is learning the job?

A contractor must pay the published prevailing wage, unless the employee is enrolled in an approved apprenticeship plan registered with the U. S. Department of Labor Employment and Training Administration Office of Apprenticeship and Training (telephone: 907.271.5035, fax: 907.271.5024). Note: the plan must be approved and the employee must be enrolled in the employer's plan. There is one exception for a trainee properly registered under the Alaska Department of Transportation and Public Facilities Trainee Program.

11. How do I register my employee as an apprentice?

Contact the office of the U.S. Department of Labor, Employment and Training Administration Office of Apprenticeship and Training in Anchorage at 907.271.5035; fax: 907.271.5024.

12. Does my foreman have to be paid prevailing rates of pay?

Yes. Foremen who perform hands on work at a public construction project must be paid prevailing rates of pay in the appropriate classification(s).

13. My foreman receives a salary of \$1000 per week for 40 hours of work. Can I pay prevailing rates for the "hands on" work out of the \$1000 and just give the foreman whatever is left for the other work?

No. The employee's regular rate of pay in this example is \$25.00 per hour (\$1000/40=\$25.00 per hour). The foreman must receive the proper prevailing rate, including fringe benefits, for the classification of work performed.

14. Is my foreman/supervisor exempt from overtime?

Probably not. Contact the nearest Wage and Hour Regional Office for more specific information.

15. What should I do if I don't know whether or not a project is subject to the prevailing wage requirements?

Contact the Wage and Hour Regional Office in the region where the project is located for a determination.

16. What happens if a contractor/subcontractor fails to pay all of its employees properly?

DOLWD will take appropriate enforcement action to collect the wages for employees. If the department cannot collect from a subcontractor, the prime contractor may be responsible.

17. Is any further action taken against the violating contractor?

Contractors (including persons/individuals) who disregard their obligations to employees may be debarred from working on LDBA projects for a period of three years. It is possible for a prime contractor to be debarred because of its subcontractor's violations.

18. What do I do when I am unsure of the correct wage classification?

Contact the nearest Wage and Hour Regional Office for assistance.

19. What are some common violations the department finds?

- Failure to pay proper prevailing rates for the classification worked
- Failure to keep records of hours worked in each classification
- Failure to pay the fringe benefit amount
- Failure to pay prevailing rates on covered projects awarded by private, nonprofit corporations who are recipients of state grant money and use the funds for public projects
- Failure to pay filing fees and submit all required forms pursuant to as 36.05.045.

20. The prime contractor requires the subcontractor to file certified payrolls with them. Does this take care of the subcontractor's filing requirements with the department?

No. The law requires that all subcontractors and contractors file payrolls with the Alaska DOLWD.