

New Requirements for Separate Classifications by Wage Level in the Construction Industry

Created to provide a more equitable distribution of premium, the Dual Wage Level Classification system affects 19 classifications in the construction industry. While the system remains the same, a new documentation procedure is necessary to comply with California's workers' compensation insurance code.

What is changing?

Effective January 1, 2008, original time cards for all hourly and piecework construction trade employees showing their start and stop time is required. The Workers' Compensation Insurance Rating Bureau and the California Industrial Welfare Commission require employers to record worker start and stop times. As such, State Fund payroll auditors must verify the hourly wages of all construction employees at the time of audit in 2009.

What do you need to do...

Keeping detailed records that clearly show the start and stop times, hours worked, job duties and wage rates can help you take advantage of the lower-rate dual wage class. If you are paying your employees by piecework, you must keep a record of start and stop times and the number of hours worked for each employee to qualify for the lower-rated dual wage class code. If you **do not** keep a time-log of the start and stop times and hours worked, the auditor will assign all payrolls into the higher-rated low wage class code. Since these wage rates are subject to verification at the time of the audit through a valid source, maintaining a verifiable record is necessary and helps you utilize this system.

For more information on how to use the Dual Wage Level Classification system contact your nearest State Fund location.

