

What is prevailing wage?

Prevailing wage is the pay scale established for construction laborers and mechanics working on government-financed projects.



- Federally funded projects are covered by the Davis-Bacon Act, and the wage scale is set by the U.S. Department of Labor based on a survey of wages for each occupation in a geographic area.
- The prevailing wage is the wage paid to the majority of tradesmen on similar projects in the area.
- In areas where the majority of workers aren't paid the same wage, the prevailing wage is a weighted average of all the wage rates for each class of worker in the geographic area.
- The prevailing wage for Davis-Bacon projects typically is not the wage set in labor union collective bargaining agreements.
- Many states, including California, and cities set a prevailing wage for public projects not covered by federal law.
- Legislation (SB7) signed into law in 2013 prohibits California's charter cities to receive state money for city construction projects if those cities allow contractors to pay less than the state prevailing wage.
- The new law, effective Jan. 1, 2015, applies to new construction projects of more than \$25,000.
- In California, prevailing wage is determined by the state Department of Industrial Relations (DIR).
- The prevailing wage for ironworkers in California is currently \$33.50 an hour, according to the DIR. Payments for health insurance, pension and other benefits bring total compensation to \$60.84 an hour.

Ironworkers Local 229

5155 Mercury Point

San Diego, CA 92111

Phone: 858.571.5238

Website: www.local229.org