

## **PREVAILING WAGE IN MISSOURI**

### **What is Prevailing Wage?**

Prevailing wage is the minimum wage rate that must be paid to workers on public works construction projects in Missouri, such as bridges, roads, schools and government buildings. The prevailing wage rate differs by locality and for different types of workers. The Missouri Department of Labor and Industrial Relations' Division of Labor Standards provides prevailing wage rates to public bodies each year in an Annual Wage Order. The Division of Labor Standards also issues a General Wage Order for Missouri State Highway and Transportation Commission construction projects in each county.

Missouri's Prevailing Wage Law was passed in 1957. In addition to Missouri law, the Davis Bacon Act, which is a federal law passed in 1931, established the requirement for paying prevailing wage on public works projects. All federal government construction contracts and most contracts for federally assisted construction over \$2,000, must include provisions for paying workers onsite no less than the local prevailing wages and benefits paid on similar projects.

All public bodies in Missouri contemplating construction work must obtain an Annual Wage Order from the Division of Labor Standards. The Annual Wage Order sets forth the prevailing hourly rate of wages in each locality. The rates are to be incorporated into the contract specifications for the job. It is important to remember that this is the minimum wage rate required for the project.

Public bodies are required to notify the Division of Labor Standards of any new construction projects prior to beginning any work.

The Annual Wage Order for each county in Missouri and the city of St. Louis can be found on the Division of Labor Standards Web site at <http://www.dolir.mo.gov/lr>. Users can view the files with Adobe Acrobat Reader and can select and view them by county.

### **How Are Prevailing Wage Rates Determined?**

The Division of Labor Standards is responsible for gathering wage information from public and private construction projects statewide on an ongoing basis from contractors, labor organizations and public entities. The wage information is used to determine wage rates for employees working on Missouri public works projects. Hours worked during the calendar year are used to set the prevailing wage rates for the following year. The wage rates are issued in the Annual Wage Order and the initial order is filed with the Secretary of State by March 10th of each year.

While wage information is received and reviewed throughout the year, February is the final month the Division will consider wages before the new rates are determined. When determining the prevailing wage rates, the Division of Labor Standards reviews all wage information received for each occupational title submitted in each county. The most frequently reported wage rate for the occupational title in the county becomes the prevailing wage rate. In other words, the prevailing wage is chosen by the mode method.

**Example:** For electricians in Cole County, John Smith Electric Company submits 300 hours at \$12/hour plus fringe benefits. Mary Beth Electric Company submits 500 hours at \$10/hour plus fringe benefits. The prevailing wage for electricians in Cole County would be \$10/hour plus fringe benefits.

The Division determines a prevailing wage rate in each of the 26 different occupational titles and their subgroups for every Missouri county and the city of St. Louis. If the Division does not receive any wage data for a particular occupational title in a county, Missouri statute (290.262 RSMo) calls for using the applicable wage rates established by collective bargaining agreements.

Wage information can be mailed, faxed or e-mailed to the Division of Labor Standards. Forms and additional information regarding the Prevailing Wage Law can be found at [www.dolir.mo.gov/lis](http://www.dolir.mo.gov/lis) or by calling 573-751-3403.

### **What Is The Role Of The Division Of Labor Standards?**

The Division of Labor Standards has the statutory authority to oversee the Prevailing Wage Law. The Division's main prevailing wage responsibilities include:

- Conducting routine investigations of public works projects to ensure proper wages are paid.
- Investigate complaints regarding improper wages paid on public works projects.
- Gathering wage information from public and private construction projects statewide on an ongoing basis from contractors, labor organizations and public entities.
- Reviewing all wage information received and using that information to determine the prevailing wage rate for each occupational title in each county.
- File the Annual Wage Order with the Secretary of State by March 10 of each year.

The Division refers prevailing wage violations to the Attorney General's office for prosecution. Under the statute, violations begin at \$10 a day per violation.

After the Division issues the Annual Wage Order, the public (?) has 30 days to object to the rates. Objections are heard before the Labor and Industrial Relations Commission. The Commission also is responsible for hearing appeals from all final decisions and awards in workers' compensation, unemployment compensation and victims of crime compensation cases, as well as promulgating rules.

The Division of Labor Standards is available to assist and answer questions regarding Missouri's Prevailing Wage law. For additional questions regarding Missouri's prevailing wage law, please contact the Division of Labor Standards at 573-751-3403 or visit their Web site at [www.dolir.mo.gov/lis](http://www.dolir.mo.gov/lis).

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