

# News leaks

## Upcoming Events

### **June 10 - 26th Annual APMC Golf Tournament**

*“Bob Gray Memorial Classic”*

Timber Creek Golf Club, Roseville

## CLC Update

### **DIR Draws Line in Sand on Date CBA’s Must be Submitted for Purposes of Determining Prevailing Wages**

The California general prevailing wage rate is the hourly rate paid to workers on public works projects within the state. The Director of the California Department of Industrial Relations determines general prevailing rate of per diem wages for all crafts, classifications and types of workers. The rate is determined by using the most common rate paid to the greatest number of workers engaged in a particular craft, classification or type of work. Our industry typically sets these rates by submitting our collective bargaining agreements (CBA’s).

The Director usually issues the determinations county by county. The general determinations are issued twice a year (February 22nd and August 22nd) and go into effect ten days thereafter (March 3rd in a leap year and March 4th in a non-leap year for determinations issued on February 22nd, and September 1st for determinations issued on August 22nd). Once the determinations take affect they are posted on the Departments website.

**The Director’s office has made it clear that any changes in CBA’s including any and all addenda which modify the agreements and need to be reflected in the March and September postings must be submitted by February 2nd and August 2nd of each year. Changes submitted after those dates will not be posted until the next posting date.**

## **2013 Triennial California Building Standards Code Adopted**

The California Building Standards Commission, which is responsible for administering the state's building standards, has adopted the 2013 Triennial California Building Standards Code. The adoption of the 2013 code comes after a comprehensive multi-state agency and stakeholder update of the 2010 building codes. The Department of Housing and Community Development, Division of the State Architect, Office of Statewide Health Planning and Development, Office of the State Fire Marshal, Department of Public Health, the California Energy Commission, industry stakeholders and members of the public participated in the development of the new code. The new code goes into effect on January 1, 2014.

## **New Audit Requirements for Dual Wage Classifications**

Recently, the Insurance Commissioner approved amendments to the *California Workers' Compensation Uniform Statistical Reporting Plan - 1995* (USRP) that establish new audit requirements for policies effective on or after January 1, 2014 that develop payroll in a high wage dual wage construction classification.

Currently, the USRP at Part 3, Standard Classification System, Section VI, Administration of Classification System, Rule 4(a)(2) states: "Each policy producing a final premium of less than \$10,000 shall be physically audited at sufficient intervals to ensure determination of proper payrolls." The new audit requirement for policies effective on or after January 1, 2014 provides that each policy producing a final premium of less than \$10,000 and developing exposure in a high wage dual classification must be physically audited unless the policy is a renewal and the insurer physically audited one of the two immediately preceding policy periods. This new audit requirement also applies to policies issued on "wrap up" policies.

"Physical Audit" is defined in the USRP at Part 1, General Provisions, Section II, General Definitions, Rule 15, as follows: An audit of payroll, whether conducted at the policyholder's location or at a remote site, that is based upon an auditor's examination of the policyholder's books of accounts and original payroll records (in either electronic or hard copy form) as necessary to determine and verify the exposure amounts by classification.

As a reminder, in California some construction and erection operations are divided into two separate classifications based on the employees hourly wage rate. State rules require that contractors who wish to have their payroll placed in the highest wage classification (lowest rated class) and pay the lower rate **MUST** document the number of hours worked by each employee with time cards or time sheets that accurately show start and stop times in addition to the total hours worked.

# Customer Appreciation BBQ Golf Tournament