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Informational Sheet: Prevailing Wages on State Projects
General Information Regarding Fringe Benefits

Certain fringe benefits may be credited toward the payment of the Prevailing Wage Rate:

- If a fringe benefit is paid directly to a construction mechanic
If a fringe benefit contribution or payment is made on behalf of a construction mechanic
If a fringe benefit, which may be provided to a construction mechanic, is pursuant to a written contract or policy
If a fringe benefit is paid into a fund, for a construction mechanic

When a fringe benefit is not paid by an hourly rate, the hourly credit will be calculated based on the annual value of the fringe benefit divided by 2080 hours per year (52 weeks @ 40 hours per week).

The following is an example of the types of fringe benefits allowed and how an hourly credit is calculated:

Table with 3 columns: Fringe Benefit Type, Calculation, and Hourly Credit. Includes rows for Vacation, Dental insurance, Vision insurance, Health insurance, Life insurance, Tuition, Bonus, 401k Employer Contribution, and Total Hourly Credit (\$3.65).

Other examples of the types of fringe benefits allowed:

- Sick pay
Holiday pay
Accidental Death & Dismemberment insurance premiums

The following are examples of items that will not be credited toward the payment of the Prevailing Wage Rate

- Legally required payments, such as:
Unemployment Insurance payments
Workers' Compensation Insurance payments
FICA (Social Security contributions, Medicare contributions)
Reimbursable expenses, such as:
Clothing allowance or reimbursement
Uniform allowance or reimbursement
Gas allowance or reimbursement
Travel time or payment
Meals or lodging allowance or reimbursement
Per diem allowance or payment
Other payments to or on behalf of a construction mechanic that are not wages or fringe benefits, such as:
Industry advancement funds
Financial or material loans