

FACT SHEET #13 - RESTITUTION MEASURES

DAVIS-BACON PROVISIONS FOR CLEAN AND DRINKING WATER SRF PROJECTS

Activities that take place during or after construction to ensure contractor compliance with the DBRA

Where underpayments of wages have occurred, the employer will be required to pay wage restitution to the affected employees. Wage restitution must be paid promptly, in full amounts due, less permissible and authorized deductions.

- 1. NOTIFICATION TO THE EMPLOYER/PRIME CONTRACTOR.** The project Owner, Consulting Engineer or WID Construction Section will notify the employer/prime contractor in writing of any underpayments that are found during payroll reviews. Contractors will get a description of the underpayments and be provided with instructions for computing and documenting the restitution to be paid. The employer/prime contractor is allowed 30 days to correct the underpayments. Note that the prime contractor is responsible for ensuring that restitution is paid by all contractors on the job. If the violating employer is a subcontractor, the subcontractor will make the computations and restitution payments and submit documentation of this through the prime contractor.
- 2. COMPUTING WAGE RESTITUTION.** Contractors should compute wage restitution by calculating the total amount of Davis-Bacon wages earned and subtracting the total amount of wages paid. The difference (less any legal deductions, i.e. taxes, employee contributions to approved plans, etc.,) is the amount of back wages due. A Wage Restitution Worksheet and affidavit signed by the affected employee is also required to document the payment.
- 3. CORRECTION PAYROLLS.** The employer will be required to report restitution paid on a correction certified payroll, which will reflect the time period for which restitution is due. A corrected certified payroll is required for each employee to whom restitution was paid and will report the following: work classification, total number of work hours involved, adjustment wage rate (the difference between the required rate and the rate paid), gross amount of restitution due, deductions, and net amount actually paid. A signed Statement of Compliance must be attached to the correction payroll.
- 4. REVIEW OF CORRECTION CERTIFIED PAYROLL REPORT.** The project Owner, Consulting Engineer or WID Construction Section will review the correction certified payroll to ensure that full restitution was paid. The prime contractor shall be notified in writing of any discrepancies and will be required to make additional payments, if needed, documented on a supplemental correction payroll within 30 days.