

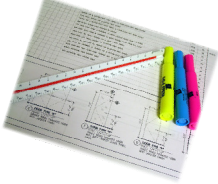
CERTIFIED PAYROLL WORKSHOP

Hosted by
M Squared Engineering, LLC
on behalf of
**The Illinois Department of Transportation –
Office of Business and Workforce Diversity**
April 2, 2012



Illinois Department of Transportation
Ann L. Schneider, Secretary


Introductions



- Presenters:
 - Vinu Patel
 - Minal Hahm, PE, CFM
- Attendees – Welcome and introduce around the room
 - Name / Title
 - Company
 - How can we help you today?

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Miscellaneous Announcements



- Cell phones
- Format for today
 - Casual – questions can be asked throughout
 - Will have a brief break half-way through
- Pre-requisite
 - Attendees understand DOT website
 - Good understanding of reading plans and specifications
 - If not – we'll work through it and follow up with more detail at a later date.

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Certified Payroll Reporting Requirements - Davis-Bacon Act

A U.S. federal law, the Davis-Bacon Act of 1931, set wage rate requirements on government funded construction projects (public work projects). All contractors and subcontractors who perform work on government construction contracts and federally-assisted construction projects over \$2,000.00 are required to submit weekly-certified payroll reports to ensure government contract compliance.

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Purpose of the Davis-Bacon Act

- Assures workers a fair wage
- Provides contractors a fair opportunity
- Helps to keep the local workers employed
- Distributes employment & federal money equitably

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Purpose of the Copeland “Anti-Kickback” Act


- Prohibits contractors from inducing an employee to give up any part of the compensation to which they are entitled under their contract of employment.
- Requires the contractor to submit a weekly statement of the wages paid to each employee performing covered work.

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Certified Payroll Reporting

A Certified Payroll Report (SBE 48) is a specially formatted payroll report, consisting of two pages:

- **Payroll Report** – This contains information about who worked on the job, how much you paid them, etc.
- **Statement of Compliance** – This contains legal language and requires the original signature of a company official who is signing this document under penalty of perjury.




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Certified Payroll Reporting

Information reported in the Certified Payroll must also match:

- **Equal Employment Opportunity Workforce Analysis (SBE 956)** – Monthly report that looks at number of employees and the number of hours that they worked.
- **Weekly Trainee Report (SBE 1014)** – Reports hours and days worked by trainees weekly.
- **Internal Revenue Service** – Report to the IRS what the employees made.




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Certified Payroll Reporting

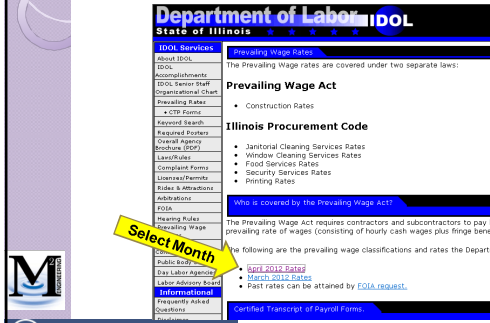
- ✓ Illinois has enacted their own prevailing wage laws.
- ✓ To Find Illinois prevailing wage rates, go to the Illinois Department of Labor website listed below:
<http://www.state.il.us/agency/idol/rates/rates.HTM>

1. Select the month-year that you are interested in.
2. Select the county where the construction work will occur.



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Certified Payroll Reporting



Department of Labor IDOL
State of Illinois

Prevailing Wage Act


- Construction Rates
- Illinois Procurement Code
- Janitorial Cleaning Services Rates
- Window Cleaning Services Rates
- Food Services Rates
- Security Services Rates
- Printing Rates

Who is covered by the Prevailing Wage Act?

The Prevailing Wage Act requires contractors and subcontractors to pay a prevailing rate of wages (consisting of hourly cash wages plus fringe benefits). The following are the prevailing wage classifications and rates the Department of Labor maintains:

- [April 2012 Rates](#)
- [March 2012 Rates](#)
- [Past rates can be attained by EOIA request.](#)

[Certified Transcript of Payroll Form](#)




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Certified Payroll Reporting

Prevailing Wage Rates by County for April 2012

- [All Counties with Explanations](#)
- [All Counties Wages Only](#)
- [Adams County \(1\)](#)
- [Alexander County \(2\)](#)
- [Bond County \(3\)](#)
- [Boone County \(4\)](#)
- [Brown County \(5\)](#)
- [Bureau County \(6\)](#)
- [Calhoun County \(7\)](#)
- [Carroll County \(8\)](#)
- [Cass County \(9\)](#)
- [Champaign County \(10\)](#)
- [Christian County \(11\)](#)

Select County



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Prevailing Wage Rates Example

Winnebago County Prevailing Wage for April 2012

Trade Name	RG	TYP	C	Base	FRMAN	*M-E>8	OSA	OSH	H/W	Pensn	Vac	Trng
ASBESTOS ABT-GEN	BLD			29,460	30,460	1.5	1.5	2.0	8,040	11.89	0.000	0.800
ASBESTOS ABT-MEC	BLD			19,950	0,000	1.5	1.5	2.0	2,700	3,350	0.000	0,000
BOILERMAKER	BLD			43,450	47,360	2.0	2.0	2.0	6,570	14,66	0.000	0,350
BRICK MASON	BLD			35,710	38,460	1.5	1.5	2.0	7,400	11,73	0.000	0,570
CARPENTER	BLD			36,320	40,320	1.5	1.5	2.0	7,400	10,95	0.000	0,600
CARPENTER	HWY			37,280	39,030	1.5	1.5	2.0	7,400	9,000	0.000	0,490
CEMENT MASON	ALL			34,820	37,570	1.5	1.5	2.0	7,650	11,45	0.000	0,250
CERAMIC TILE FINISHER	BLD			32,240	0,000	1.5	1.5	2.0	7,400	4,840	0.000	0,500
COMMUNICATION TECH	BLD			36,000	39,600	1.5	1.5	2.0	9,740	11,20	0.000	0,720
ELECTRIC PWR EQMT OP	ALL			35,400	48,110	1.5	1.5	2.0	5,000	10,97	0.000	0,270
ELECTRIC PWR GRNDMAN	ALL			27,380	48,110	1.5	1.5	2.0	5,000	8,490	0.000	0,210
ELECTRIC PWR LINEMAN	ALL			42,390	48,110	1.5	1.5	2.0	5,000	13,14	0.000	0,320
ELECTRIC PWR TRK DRV	ALL			28,350	48,110	1.5	1.5	2.0	5,000	8,790	0.000	0,220
ELECTRICIAN	BLD			40,000	44,000	1.5	1.5	2.0	9,740	15,83	0.000	0,800
ELEVATOR CONSTRUCTOR	BLD			44,940	50,560	2.0	2.0	2.0	11,03	11,96	2,760	0,000
GLAZIER	BLD			32,730	33,730	1.5	1.5	2.0	8,950	8,200	0.000	1,250
HT/FROST INSULATOR	BLD			33,930	36,470	1.5	1.5	2.0	7,450	14,77	0.000	0,000
IRON WORKER	ALL			35,000	36,750	2.0	2.0	2.0	8,000	19,59	0.000	0,950
LABORER	BLD			29,460	30,460	1.5	1.5	2.0	8,040	11,89	0.000	0,800
LABORER	HWY			30,160	30,910	1.5	1.5	2.0	8,040	11,89	0.000	0,800

Illinois Department of Transportation Payroll

Contractor or Subcontractor & No. _____
Address _____

State _____ Section _____ Payroll No. _____
County _____ Person No. _____ For Week Ending _____
Contract No. _____

Name and individual Identification Number	SSN	M/F	Hours and Days Worked	Rate	Total Hours	Total Amount Earned	Total Deductions	Net Pay	FICA	State	Other	Total	Wages Paid for Week

Contractor or Subcontractor & No. _____
Address _____

NOTE: A certified copy of each weekly payroll must be submitted by the prime contractor of the owner (7) days of the regular payment date.
* See instruction page for codes to be entered.
Project 211016 Page 1 of 2 SBE 48 (Rev. 05/10/05)

Form SBE 48

Contractor or Subcontractor & No. 123456
Address 2378 Dane Hill Road West Charleston, IL 05872

(1)	(2)*	(3)*	(4)	OT or St.	(5)	(6)
Name and Individual Identification Number	Hours and Days Worked				Total Hour	Total Hour

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Illinois Department of Transportation Payroll

Contractor or Subcontractor & No. _____
Address _____

State _____ Section _____ Payroll No. _____
County _____ Person No. _____ For Week Ending _____
Contract No. _____

Name and individual Identification Number	SSN	M/F	Hours and Days Worked	Rate	Total Hours	Total Amount Earned	Total Deductions	Net Pay	FICA	State	Other	Total	Wages Paid for Week

Reviewed by: _____ Signature of State Official No Work Suspended Completed

NOTE: A certified copy of each weekly payroll must be submitted by the prime contractor of the owner (7) days of the regular payment date.
* See instruction page for codes to be entered.
Project 211016 Page 1 of 2 SBE 48 (Rev. 05/10/05)

Form SBE 48

Route I-5	Section Main-Vine	Payroll No. 1
County Cook	Project No. 7	For Week Ending 11-Jun-2010
Contract No. 49L11		

(6)	(7)	(8)	(9)	(10)				(11)
Total Hours	Rate of Pay	Amount Earned	Total Earned	Deductions				Wages Paid for Week
				Federal WH Tax	FICA	State WH Tax	Other	Total Deduction

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Illinois Department of Transportation Payroll

Contractor or Subcontractor & No. _____
Address _____

State _____ Section _____ Payroll No. _____
County _____ Person No. _____ For Week Ending _____
Contract No. _____

Name and individual Identification Number	SSN	M/F	Hours and Days Worked	Rate	Total Hours	Total Amount Earned	Total Deductions	Net Pay	FICA	State	Other	Total	Wages Paid for Week

Reviewed by: _____ Signature of State Official No Work Suspended Completed

NOTE: A certified copy of each weekly payroll must be submitted by the prime contractor of the owner (7) days of the regular payment date.
* See instruction page for codes to be entered.
Project 211016 Page 1 of 2 SBE 48 (Rev. 05/10/05)

Form SBE 48

(1)	(2)*	(3)*	(4)	OT or St.
Name and Individual Identification Number	Hours and Days Worked			Total Hour
Eleven C Employee 156 No Street Anytown, None 59932 4444	W	LA	J	S O

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Illinois Department of Transportation Payroll

Consortium or Subcontractor's No. _____

Address _____

City _____ State _____ Zip _____

Route _____ Section _____ Payroll No. _____

County _____ Person No. _____ Firm/Shop/Building _____

Contract No. _____

OT or St.	(5) Hours and Days Worked	(6) Total Hours	(7) Rate of Pay	(8) Amount Earned	(9) Total Earned				
S	0	2.92	6.46	3.07	1.75	3.07	17.26	\$17.90	\$308.95
O									
S									
O									
S									

* See instruction page for codes to be entered
Packet 171070 Page 1 of 2 SBE 48 (Rev. 05/10/05)

Form SBE 48

OT or St.	(5) Hours and Days Worked	(6) Total Hours	(7) Rate of Pay	(8) Amount Earned	(9) Total Earned
S	Sun 0 Mon 2.92 Tue 6.46 Wed 3.07 Thu 1.75 Fri 3.07 Sat 3.07	17.26	\$17.90	\$308.95	
O					

Gross Amount for THIS job
Gross Amount for ALL jobs

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Illinois Department of Transportation Payroll

Consortium or Subcontractor's No. _____

Address _____

City _____ State _____ Zip _____

Route _____ Section _____ Payroll No. _____

County _____ Person No. _____ Firm/Shop/Building _____

Contract No. _____

(10) Deductions					(11) Wages Paid for Week
Federal WH Tax	FICA	State WH Tax	Other	Total Deduction	
\$474.93	\$127.57	\$65.98	--	\$668.48	
1,569.30					

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Form SBE 48

(10) Deductions					(11) Wages Paid for Week
Federal WH Tax	FICA	State WH Tax	Other	Total Deduction	
\$474.93	\$127.57	\$65.98	--	\$668.48	
1,569.30					

Net Wages

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Deductions
Federal Withholding Tax

Form W-4 Employee's Withholding Allowance Certificate

OMB No. 1545-0074
2010

1 Type or print your first name and middle initial: _____ Last name: _____ 2 Your social security number: _____

3 Single Married Married, but withheld at higher Single rate. Note: If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.

4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card.

5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2) 6 \$ _____

7 I claim exemption from withholding for 2010, and I certify that I meet both of the following conditions for exemption:
 • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability and
 • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability.
 If you meet both conditions, write "Exempt" here: _____

Under penalties of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.

Employee's signature (Form is not valid unless you sign it.) _____ Date: _____

8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.) 9 Office code (optional) 10 Employer identification number (EIN)


For Privacy Act and Paperwork Reduction Act Notice, see page 2. Cal. No. 10220Q Form W-4 (01/10)

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- Common Mistakes in Filling Out Payroll Report
1. Work Classification is not on payrolls.
 2. Not stating if a person is an Apprentice or not.
 3. Wrong wages paid.
 4. Only need the full employees name and last four digits of the social security number.
 5. Statement of Compliance is not being signed.
 6. Payrolls are not numbered and "Final" is not marked as final payroll.
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When Certified Payroll Reports Are Not Correct


- Puts you in bad standing with the Project Owner/General Contractor, Department of Labor, etc. and can damage the overall cash position of your company. Examples:
 - Your reports are rejected due to inadequate information.
 - You did not pay your employees the wage rates listed in the Wage Decision
 - You paid your employees their normal “non-prevailing wage rate” and you didn’t submit certified payroll reports



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Summary of Completing the Certified Payroll


- Need to submit:
 - Contractor or Sub-contractor Checkboxes
 - Company Address
 - Payroll Number.
 - (e.g. Payroll No. 1 for 1st week of work on the job)
 - For Week Ending (use the week ending date)
 - Project Number.
 - Contract Number.



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Summary of Completing the Certified Payroll


- Payroll Summary Information
 1. Name and Individual Identifying Number (e.g. Last four digits of Social Security Number) of worker
 2. Withholding Exemptions
 3. Employee Work Classification
 4. Hours Worked: Day and Date
 5. Total Hours
 6. Rate of Pay / Cash Fringes
 - Contractors Paying Fringe Benefits in Cash to the Employee
 - Contractors Pay All Required Fringe Benefits to a Union or Bona-Fide Fringe benefit Plan



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Summary of Completing the Certified Payroll


- Payroll Summary Information
 7. Gross Amount Earned This Job / All Jobs
 8. Deductions; Based on Gross Wages ALL Projects
 9. Net Wages Paid for the Week



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Summary of Completing the Certified Payroll


- Completing the Statement of Compliance
 1. Date
 2. Your Name & Title
 3. Company
 4. Project / Job Name
 5. Work Week Beginning Date
 6. Month of
 7. Year
 8. Work Week Ending Date
 9. Month
 10. Year



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Summary of Completing the Certified Payroll



- Completing the Statement of Compliance
 11. Company
 12. Deduction Statement
 13. Fringe Benefit Check Boxes
 - Where Fringe Benefit are Paid to Approved Plans, Funds, or Programs
 - Where Fringe Benefits are Paid in Cash
 14. Exceptions
 15. Remarks
 16. Your Name
 17. Your Title
 18. Signature



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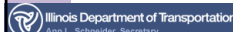

Mobilization Payments to Prime Contractor - Section 671

- 75% of the mobilization will be paid upon execution of the contract.
- Additional 15% will be paid when 10% of the original contract amount is earned.
- The remainder of mobilization will be paid when 90% of the adjusted contract value is earned.



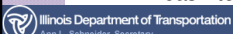

Mobilization Payments to Sub-Contractor – BDE Special Provision (Sub-contractor Mobilization Payments)

- 3% of the amount of the subcontract reported on form BC 260A submitted for the approval of the subcontractor's work is to be paid at least 14 days prior to the subcontractor starting work.



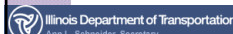

Common Errors on Certified Weekly Payroll Submittals

- Use of improper classifications
 - Owner/operator, official title – Secretary, etc.
- Use of improper work classifications
 - Ironworker vs. laborer, traffic safety worker, etc.
 - Failure to show how fringe benefits are paid out
 - In cash to employees or into approved fund






Common Errors on Certified Weekly Payroll Submittals

- Improper payment of overtime
 - State vs. Federal
- Improper submittal
 - Monthly payroll submittal when it is to be sent weekly
- Inaccurate Payrolls
 - Number of employees not correct, dates not correct





Special Thanks

- PTAC / EigerLABS
- IDOT District 2
 - Fred Marruffo
District 2 EEO Officer
Illinois Department of Transportation
819 Depot Avenue
Dixon, Illinois 61021
Phone: (815) 284-5345
Fax: (815) 285-5262
Email: Fred.Marruffo@illinois.gov



Upcoming Workshops

- District 2
 - April 19, 2012 – Trucking
 - May 17, 2012 – Documentation and Surveying
 - June 14, 2012 – Patching – Asphalt & Concrete
 - July 19, 2012 – Force Account
 - August 16, 2012 – Concrete – Flat & Vertical
- District 3
 - April 3, 2012 - Plan Review and Specifications
 - May 3, 2012 – Trucking
 - May 22, 2012 – Certified Payroll



Questions???

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