

U.S. Department of Labor Employment and Training Administration Office of Apprenticeship (OA) Washington, D.C. 20210	<u>Distribution:</u> A-541 Headquarters A-544 All Field Tech A-547 SD+RD+SAC+; Lab.Com	<u>Subject:</u> Optional Language for Program Sponsors Who Wish to Identify Payment of Fringe Benefits <u>Code:</u> 400.1
Symbols: DSNIP: FJH		Action: Immediate

PURPOSE: To inform the Office of Apprenticeship (OA), Regional, State Directors and the State Apprenticeship Council/Agency (SAC/SAA) staff of an amendment to the **Background** in Bulletin No. 2006-05, dated November 29, 2005.

BACKGROUND: Under the regulations (29 C.F.R. § 5.5(a)(1)) that implement the Davis-Bacon Act, the costs of fringe benefits are considered wages paid to covered workers. Further, under 29 C.F.R. § 5.5(a)(4), if an apprenticeship program does not specify the fringe benefits to be paid, covered apprentices must be paid the full amount of fringe benefits listed on the pertinent wage determination. The OA has received several inquiries from group non-joint program sponsors about how to incorporate references to “fringe benefits” into registered apprenticeship program standards. Neither OA’s’ standards (29 C.F.R. § 29.5(b)(5)) nor the current guidance directly addresses fringe benefits.

In response, the OA is clarifying the existing requirement regarding program sponsors’ option to specify the fringe benefits to be paid to apprentices. The only change from the previous guidance in Bulletins 2003-25 and 26 is the addition of “(including fringe benefits, if any)” to the first sentence of the section in the program standards that covers apprentice wage progression. Please note that this provision may affect any type of program even though inquiries came from Group Non-Joint sponsors.

This provision for including fringe benefits statements in Apprenticeship Standards may apply to any type of program, i.e., joint or non-joint, individual or group. Should a joint program sponsor either individual or group not have fringe benefits for apprentices specifically defined in their Collective Bargaining Agreement they may wish to incorporate fringe benefit language into their Apprenticeship Standards.

For example:

SECTION XI - APPRENTICE WAGE PROGRESSION – Title 29 CFR 29.5(b)(5)

Apprentices shall be paid a progressively increasing schedule of wages and fringe benefits, during their apprenticeship...

If you need further information please contact, Felecia Hart, Apprenticeship and Training Representative in the Division of Standards and National Industry Promotion, at 202-693-3792.

ACTION: All OA staff should review and retain a copy of this bulletin.

Note: This bulletin is being sent via electronic mail.