

U.S. Department of Labor Employment and Training Administration Office of Apprenticeship Training, Employer and Labor Services (OATELS) 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 Training, Employer and Labor Services (OATELS), the Bureau of Apprenticeship and Training’s (BAT) Regional and State Director staff that program sponsors have the option to specify, in their registered program standards, the fringe benefits to be paid apprentices.

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. OATELS has received several inquiries from group non-joint program sponsors about how to incorporate references to “fringe benefits” into registered apprenticeship program standards. Neither OATELS’ standards (29 C.F.R. § 29.5(b)(5)) nor the current guidance directly addresses fringe benefits.

In response, OATELS 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.

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 OATELS staff should review and retain a copy of this bulletin.

Note: This bulletin is being sent via electronic mail.