



NYCIRB

New York Compensation
Insurance Rating Board
733 Third Avenue
New York, NY 10017
Tel: (212) 697-3535

January 28, 2019

R.C. 2478

Re: Prevailing Wage Laws – Supplemental Wage Payments

Members of the Rating Board:

I write to respond to several requests from stakeholders in the marketplace for clarity on how supplemental wage payments should be treated in connection with Davis-Bacon wages or wages from a similar prevailing wage law.

By way of brief background, in some instances, employers provide employees with supplemental wages in lieu of providing health insurance, a retirement plan, or similar employee benefits. The purpose of supplemental wages is to fund employees' purchase of health insurance or other benefits, such as retirement savings.

As is set forth in the Rating Board's New York Workers' Compensation and Employers' Liability Manual ("Manual"), when wages are paid directly to an employee in conjunction with the Davis-Bacon Act or other prevailing wage laws, these wages are to be included in remuneration for the purpose of calculating an employer's workers' compensation policy premium. However, when an employer makes direct payments to an employee benefit plan, such as health insurance or retirement plan, these direct payments are to be excluded from remuneration.

For the applicable rules on these items, please refer to "Remuneration-Payroll" Rule V(B)(2)(n) and Rule V(B)(3)(b) of the New York Workers' Compensation and Employers' Liability Insurance Manual.

If you have any questions or concerns, please do not hesitate to contact Mr. Mark Battistelli, Vice President of Underwriting Services, at (212) 697-3535, ext. 113 or at mbattistelli@nycirb.org.

Very truly yours,

A handwritten signature in blue ink, appearing to read "JA", is written over a light blue horizontal line.

Jeremy Attie
President and CEO