

NOTICE REGARDING IMPACT OF NEW MINIMUM WAGE INCREASES TO PREVAILING WAGE RATES

State law requires that workers employed on public works projects (i.e., projects involving construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds) of more than one thousand dollars (\$1,000) need to be paid at least the prevailing wage rate determined by the Director of the California Department of Industrial Relations (DIR).

Effective January 1, 2019, the minimum wage in California increased to \$12.00 per hour. In all cases where the published prevailing wage rate is below the California minimum wage, each employer is required to pay at least the California minimum wage in addition to any and all employer payments required by these determinations.

If the California minimum wage is increased in the future to an amount above that shown in a prevailing wage determination, the basic hourly rate in that determination automatically increases to the new minimum wage.

The DIR notice regarding the minimum wage raise can be viewed here <https://www.dir.ca.gov/OPRL/2018-2/NoticeIndex.htm>

More information regarding California state prevailing wage determinations can be found here <https://www.dir.ca.gov/Public-Works/Prevailing-Wage.html>