



Understanding a Wage Determination

An understanding of the wage determination helps taxpayers and contractors identify and understand the wages and benefits required to be paid to laborers and mechanics on the project. The following is a brief guide for reading a wage determination:

1. Identify the geographic area: Typically, the state and the county or counties covered by the wage determination are noted at the top of the wage determination. It is critical to use the correct wage determination for the geographic area where the project will be performed.
2. Identify the construction type: The construction type will be listed at the top of the wage determination (Building, Residential, Highway, or Heavy). More information regarding each of these four types of construction can be found in All Agency Memorandum 130.
3. Identify the proper labor classification(s): Labor classifications, not individual tasks, are listed on wage determinations. It is, therefore, vital to understand the scope of the project and the labor classifications that are necessary for the work to be performed.
4. Understand the wage rates, fringe benefits, and labor classification identifiers: Each labor classification has an identifier as well as a wage rate and a bona fide fringe benefits rate listed with it on the wage determination. The labor classification identifier provides information on how the wage and fringe benefits rates were calculated. Classifications beginning with "SU" denote a prevailing wage that is not based exclusively on collectively bargained wage rates. Classifications beginning with "UAVG" denote a prevailing wage that is based exclusively on collectively bargained data, but where no single collectively bargained rate prevailed. Classifications that begin with anything other than "SU" or "UAVG" indicate that a single CBA-based rate prevailed.

Wage and Hour Division

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