



STATE OF RHODE ISLAND

**Department of Labor and Training**

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Daniel J. McKee  
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Director

**Division of Workforce Regulation and Safety**  
**Temporary Enforcement Policy and Guidance for Wage and Fringe Benefit**  
**Requirements Pursuant to R.I.G.L. § 37-13-7**

**I. Purpose**

This temporary enforcement policy provides interpretive and compliance guidance regarding R.I. Gen. Laws § 37-13-7(b)(2)(ii)(A)–(F), which govern wage and fringe-benefit specifications in contracts for public works projects and school transportation.

**II. Applicability**

This guidance applies to all covered employees of contractors and subcontractors performing work on public works projects and school bus drivers, aides, and monitors directly providing school transportation as defined in R.I. Gen. Laws § 37-13-7(c). It is intended to clarify the scope and conditions under which the Department of Labor and Training (the “Department”) will enforce the statutory requirements governing cash in lieu of benefit payments involving healthcare and retirement or pension fringe benefits pending formal rulemaking.

**III. Guidance relating to Healthcare and Retirement or Pension**

1. **Cash in Lieu of Healthcare Benefits.** A covered contractor or subcontractor is prohibited from providing an employee cash payments in lieu of healthcare benefits unless the employee meets one of the following criteria:
  - a. Is employed for a short-term basis of 90 calendar days or less; or
  - b. Is currently receiving healthcare coverage as a dependent child, spouse, or domestic partner of a covered person; or
  - c. Is the recipient of healthcare coverage in connection with active military service or through the U.S. Department of Veterans Affairs.
  
2. **Cash in Lieu of Pension or Retirement Benefits.** A covered contractor or subcontractor is prohibited from providing cash payments in lieu of a pension or retirement benefit to an employee unless the employee is employed on a short-term basis of 90 calendar days or less.
  
3. **Proof of Coverage or Contribution.** Each covered contractor or subcontractor must maintain and provide proof of procurement of the applicable healthcare

benefit, retirement or pension benefit, or contribution thereto, for each covered employee, and must make such proof available to the Department upon request.

4. **Non-Waiver.** The requirements of R.I. Gen. Laws § 37-13-7, including the prohibitions on cash in lieu of fringe benefits as noted above are statutory requirements that may not be waived by private agreement or employee consent. Any purported waiver is void.
  
5. **Total Rate Compliance.** Each contractor and subcontractor must comply with the total prevailing wage for each job classification. Nothing in this Policy relieves a contractor or subcontractor from meeting the total prevailing wage. Where an exemption applies as noted in paragraphs 1 and 2 above, the employer must still comply with the total prevailing wage rate through permissible bona fide fringe credits and/or additional cash wages.

#### **IV. Enforcement**

Failure to comply with this guidance may result in enforcement action including but not limited to a civil penalty of between \$1,000 and \$3,000 and injunctive relief for continued violations consistent with the Department's authority under R.I. Gen. Laws § 37-13-7(b)(2)(ii)(D) and related provisions.

#### **V. Duration**

This policy shall become effective immediately and remain in effect until rescinded, amended, or superseded by regulation.

Signature:  Date: 10/28/25

Name: Matthew D. Weldon, Director