

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

Frequently Asked Questions

What is the purpose of this policy?

This temporary policy outlines the Department's position and guidance regarding contractor and subcontractor obligations under R.I. Gen. Laws § 37-13-7, specifically related to wage and fringe-benefit mandates for healthcare and retirement/pension benefits in contracts for public works and school transportation.

Who must comply with this policy?

All contractors and subcontractors engaged in public works projects and school transportation contracts covered by R.I. Gen. Laws § 37-13-1 et seq. must comply with this policy.

What does the guidance clarify about healthcare benefits?

When an employee is employed for more than ninety (90) days, a covered contractor or subcontractor may not provide cash in lieu of a healthcare benefit unless the employee already receives healthcare coverage through:

- A spouse, domestic partner, or parent; or
- The U.S. military or Veterans Affairs; or

If an employee meets one of the criteria above, they are entitled to due compensation through permissible bona fide fringe benefits and/or additional cash wages.

What does the guidance clarify about pension/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. For short-term employees not receiving pension or retirement benefits, the employer is still required to meet the total prevailing wage by using other bona fide fringe benefits and/or additional wages.

What documentation must contractors provide?

Covered contractors must provide proof of procurement of the required healthcare and pension/retirement benefits and make such documentation available to the Department upon request.

What happens if a contractor does not comply?

Noncompliance may subject the contractor or subcontractor to enforcement actions and penalties under R.I. Gen. Laws § 37-13-7 and related regulations.