

Maryland Apprenticeship Training Fund Law

ELECTRONIC SUBMISSION AND COMPLIANCE GUIDELINES

Courtesy of Associated Builders and Contractors

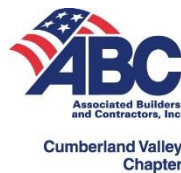
Baltimore Metro Chapter



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Metro Washington Chapter



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KEY POINTS

- All Maryland state-funded prevailing wage projects exceeding \$100,000 are affected by this law
- 25 cents per hour must be paid for all workers on the project **not just the apprentices**
- Fund contributions can come out of the fringes paid to workers. **You will not need to pay money in addition to fringes** (see page 6, question #4 for more information on fringe benefits)
- Use ABC of Metro Washington as a resource when complying with this new law. Refer to page 8 for contact information or to our website at www.abcmetrowashington.org/ChooseABC for more information.
- Select **Associated Builders and Contractors Craft Training Trust** as your contribution recipient. ABC will ensure funds received will be dedicated to providing quality training programs for the betterment of the industry.

HOW TO COMPLY

- Look for the Associated Builders and Contractors Craft Training Trust option on the drop-down menu on the State's certified payroll webpage (see pages 4-5), even if you are not currently training through any ABC chapter to ensure your contribution goes to a good cause and the betterment of the industry.
- Make checks payable to:
ABC Craft Training Trust
- Send a copy of the certified payroll that corresponds with the check to:
ABC Training Fund
1220B E. Joppa Rd.
Towson, MD 21286

IMPORTANT LINKS

DLLR Reporting Page – www.dllr.state.md.us/PrevWage/

This guideline is also available in digital format here, www.abcmetrowashington.org/ChooseABC

NAVIGATING THE REPORTING SITE

At www.dlir.state.md.us/PrevWage/ you will have the option to identify the training fund sponsor program. All four ABC chapters of Maryland will be designated under **Associated Builders and Contractors Craft Training Trust**.

STEP 1

Hover over A&T Fund

Select Identify Sponsor



abcmetrowashington.org/ChooseABC

STEP 2

The sponsor automatically defaults to Maryland Apprenticeship Training Fund unless you click the pull down menu to select your choice.

Click the pull down menu arrow

abcmetro.washington.org/ChooseABC

STEP 3

Scroll down until you find ASSOCIATED BUILDERS AND CONTRACTORS CRAFT TRAINING TRUST and click it.

Submit

abcmetro.washington.org/ChooseABC

You are now finished selecting your sponsor and you are now ready to process your payroll submission.

FREQUENTLY ASKED QUESTIONS

Maury Baskin, Esq., general counsel for Associated Builders and Contractors, provided ABC with frequently asked questions regarding compliance with and the basic understanding of the Maryland Apprenticeship Training Fund. Please read below for those FAQs.*

For all projects advertised for bids or proposals after July 1, 2013, each contractor performing a state prevailing wage contract valued at more than \$100,000, must pay 25 cents per hour for every covered worker on the project into the new state fund or into an eligible state-approved apprenticeship program.

The monies paid for this purpose can then be credited (or deducted) from the fringe benefit portion of the prevailing wage determination on the project, if there is one. There are many areas of confusion about how the new fund payments are going to work in practice, and the Department of Labor, Licensing and Regulation (DLLR) itself apparently does not yet have all the answers. But the following are answers to some of the Frequently Asked Questions about the new law according to guidance received from DLLR.

Q. 1 - What contractors are covered by the new law?

A. 1 - Only those contractors who enter into a contract to perform work on a Maryland state-funded project covered by the state prevailing wage law after July 1, 2013, with a value exceeding \$100,000, are affected by the new regulations. The regulations do not apply to private work, nor do they apply to federally-funded projects covered by the Davis-Bacon Act, nor to county-funded projects covered by the counties' prevailing wage laws.

Q. 2 - What does the new law require contractors to do?

A. 2 - On a Maryland state-funded project covered by the state prevailing wage law after July 1, 2013, with a value exceeding \$100,000, contractors and subcontractors must pay 25 cents per hour worked by every tradesman, laborer, and apprentice either to the new state fund or to an eligible, state-approved apprenticeship program. Contractors can satisfy this requirement by paying the 25 cents per hour to the apprenticeship programs sponsored by Associated Builders and Contractors.

Q. 3 - Is the 25 cents per hour supposed to be paid only for apprentices actually being trained?

A. 3 - No. The contractor must pay 25 cents per hour worked by every worker in a "covered craft" on the state-funded project: tradesmen, laborers, and apprentices, regardless of whether the contractor is actually training any apprentices on the project.

Q. 4 - Will the 25 cents per hour be paid by contractors over and above the amounts they are already required to pay employees on state prevailing wage projects, or can credit be taken against the fringe benefits that already must be paid under the prevailing wage determinations published by the State?

A. 4 - Under the new law, credit can be taken for the 25 cents per hour payments as a deduction from any fringe benefit requirements listed in the project wage determinations. Most wage determinations already require contractors to pay more than 25 cents per hour in bona fide fringe benefits, in addition to the base hourly rate that the DLLR has determined to be "prevailing" on state-funded projects. In effect, under this rule, the contractor's bottom line should not be affected because they are permitted to deduct the 25 cents per hour from the fringes that employees would otherwise be entitled to on the project. Unfortunately, not all wage determinations include fringe components. Where no fringe is listed in the wage determination, the DLLR's position is that contractors will have to pay the 25 cents per hour as a penalty or tax over and above the amounts already owed to employees on state-prevailing wage jobs.

Q. 5 - How do contractors learn where they can send their 25 cents per hour?

A. 5 - When contractors are awarded a state-funded project, they will be required to register electronically with the DLLR at the DLLR's website: <http://www.dllr.state.md.us/labor/prev>. Once registered, contractors will be directed to a series of screens that will identify the project being worked on and the apprenticeship program to which the contractor wants to pay the required 25 cents per hour. Again, this could be an existing program that the contractor is already using to train apprentices, or a program that trains apprentices generally even though the contractor does not participate in that program or for crafts that the contractor uses to get training, or the contractor can pay the money into the state fund.

The contractor will be required to report to the State which program received the money, using "drop down" screens listing all of the State's current approved apprenticeship programs. There will be one ABC option on the drop down menu screen (see pages 4-5). This will avoid the contractor from having to decide to which ABC chapter the contribution will be sent. To verify that the money was actually paid to the designated program, the DLLR is also requiring each of the state-approved apprenticeship programs to file monthly reports identifying the funds received by any reporting contractors.

Q. 6 - With respect to a GC who self-performs a portion of the work, is the GC required to pay the fee? What happens if the self-performed amount is less than \$100,000? Is the fee waived?

A. 6 - A GC is required to make contributions if they are self-performing work on a covered project (one that exceeds \$500,000 in total contract value). The state's Prevailing Wage Unit will look at the value of the GC's contract with the public body, NOT at the value of the subcontracted work the GC intends to perform itself. So in all likelihood, if a general contractor is filling out a certified payroll report for their own employees, this law would apply (unless the total contract amount was less than \$500,000).

Q. 7 - Will the GC be held responsible for their subcontractors making their contributions?

A. 7 - Contractors and covered subcontractors who hire subcontractors performing work valued at \$100,000 or more are required to provide their covered subcontractors with written notice of the requirement that subcontractors and their subcontractors performing work valued at \$100,000 or more are required to register and complete the project log information and make contributions under this law.

Q. 8 - How is this money going to be used?

A. 8 - Per the regulation guidelines, the funds will be used to make critical improvements to our apprenticeship programs including, but not limited to:

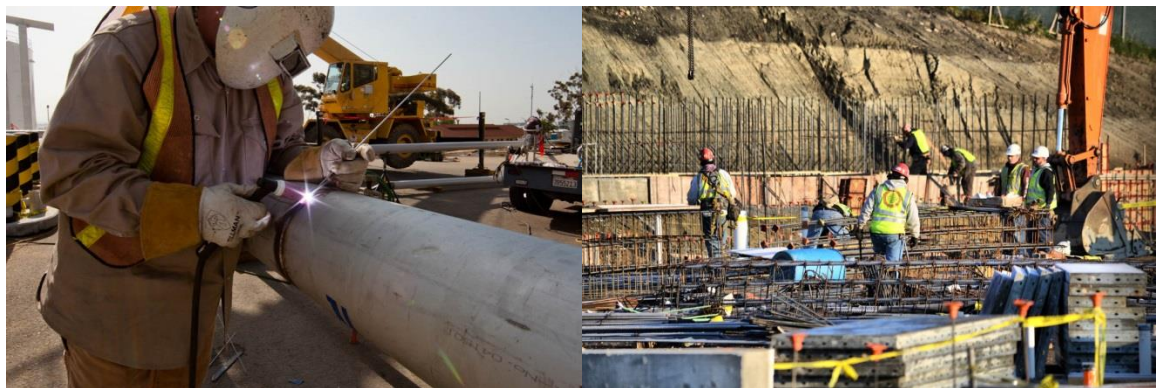
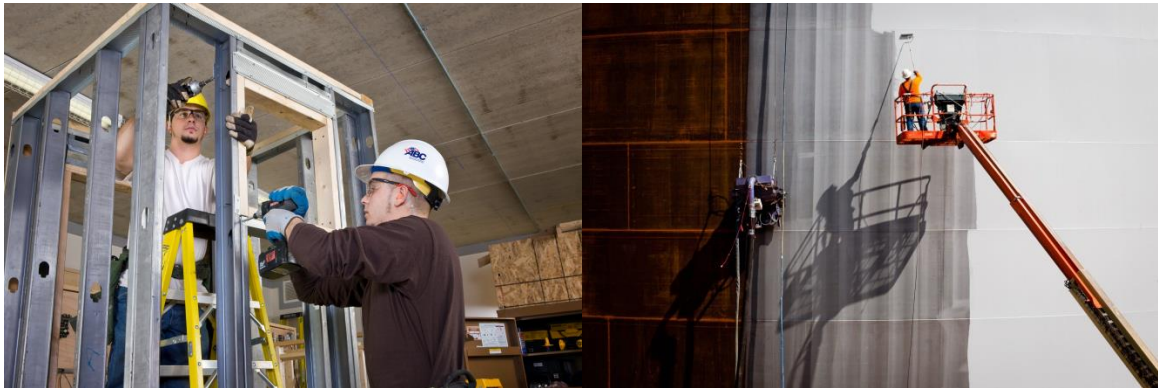
- Enhancements to hands-on training laboratories, i.e., equipment, tools, materials and supplies
- Support and training for instructional staff
- Expansion of staff to include more trade specialists
- Industry outreach

¹ Mr. Baskin is a Shareholder with the Washington, D.C. office of Littler Mendelson, PC, general counsel to Associated Builders and Contractors, Inc. He advises merit shop contractors on all aspects of labor and employment law including apprenticeship and prevailing wage compliance.

ABC CRAFT AND APPRENTICESHIP TRAINING

The Maryland Chapters of Associated Builders and Contractors provide craft training in the trades listed below. **ABC is accredited with the Maryland Department of Labor, US Department of Labor and the Veterans Administration. The Metro Washington Chapter is also accredited with the DC Department of Labor.**

- Bricklayer
- Carpenter
- Cement Mason
- Construction Craft Laborer
- Construction Equipment Mechanic
- Drywall Applicator
- Electrician
- Glazier
- HVAC/R Technician
- Insulation Worker
- Laborer
- Operating Engineer
- Painting/Decorator
- Pipefitter
- Plumber
- Reinforcing Ironworker
- Roofer
- Sheet Metal Worker
- Sprinkler Fitter
- Steamfitter
- Structural Steel Worker
- Welder Combination



CONTACT US

ABC can help you comply with the Maryland Apprenticeship Training Fund and provide high-quality training for your craft professionals. Please contact us with any questions regarding the training fund law or craft and apprenticeship training in Maryland.



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Train Your Workforce.

For safety, skills and the future of our industry.