

Dual Wage Classifications

Helping California employers understand their rights and the California workers' compensation insurance system

Understanding the rules in the **California Workers' Compensation Uniform Statistical Reporting Plan—1995 (USRP)** for dual wage classifications, recordkeeping & division of payroll

The Rule

Dual wage classifications are Construction or Erection classifications requiring verification that the employee's regular hourly wage equals or exceeds a specified amount and are subject to additional recordkeeping requirements set forth in Part 3, Standard Classification System, Section IV, Special Industry Classification Procedures, Rule 2a(1), Records of Payroll. This rule states, in part:

For all employees, other than salaried employees, determination of the regular hourly wage must be supported by one of the following sources:

- a) Original time cards or time book entries for each employee. Original records must include the operations performed, the total hours worked each day and the times the employee started and ended each work period throughout the workday.[...]
- b) A valid collective bargaining agreement that shows the regular hourly wage rate by job classification of worker. [...]

For all employees, other than salaried employees, the payroll for which an hourly wage determination cannot be reconciled to time cards or time book entries or collective bargaining agreements as specified above shall not be assigned to a classification that requires the regular hourly wage to equal or exceed a specified amount.[...]

The Scenario

Why were my employees reassigned to the higher-rated, low-wage companion classification?

Max operates Maximum Construction, Inc. He wants to know why the auditor reassigned his employees from the lower-rated, high-wage Classification 5140, *Electrical Wiring*, to the higher-rated, low-wage companion Classification 5190.

Although Max provided the auditor with the time records that he maintained during the policy term, he did not provide time cards that showed the times the employees started and ended each work period throughout the workday as required by the regulations.

Since the requisite time records were not available at the time of the audit, Max's employees were assigned to the higher-rated Classification 5190.

Workers' Compensation Insurance Rating Bureau of California®

California Workers' Compensation Uniform Statistical Reporting Plan—1995

Title 10, California Code of Regulations
Section 2318.6

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