Missouri’s New Prevailing Wage Law

Legislation (HB 1729) passed by the Missouri General Assembly and signed by the Governor became effective August 28, 2018. This new law makes several changes to Missouri’s prevailing wage (PW) system.

The Division of Labor Standards published Annual Wage Order 26 on July 1st, 2019, which uses the new law to calculate and establish Missouri’s Prevailing Wage rates.

Is my project a Public Works Project?

- NO: PW/PWCMW do not apply
- Minimum Wage still applies
- Contractors/Subcontractors may report hours (excluding those from “federally-registered apprentices” and “entry-level workers”) worked on non-residential projects to be used in calculating the Annual Wage Order.

Is the engineer’s estimate or the bid accepted by the public body above $75,000?

- NO: PW/PWCMW do not apply
- Minimum Wage still applies
- Contractors/Subcontractors may report hours (excluding those from “federally-registered apprentices” and “entry-level workers”) worked on non-residential projects to be used in calculating the Annual Wage Order.

Above $75,000

Public works projects are subject to either PW or PWCMW depending on whether 1,000 hours are reported (see below).

Reportable Hours

- Were 1,000 or more hours reported in the county where the project is located in a particular occupational title last year? (Refer to latest annual wage order at https://labor.mo.gov/DLS/PrevailingWage/awo.)

Under $75,000

- Public works projects valued at $75,000 and under are not subject to the prevailing wage law.
- Public works projects valued at $10,000 and under are not subject to a competitive bidding process.
- Minimum wage still applies.

No project may be split up into smaller projects valued at less than $75,000 to evade the requirement to pay PW or PWCMW.

Under 1,000 Hours*

- The PWCMW (120% of the average county wage) will be used instead of the PW.

1,000 Hours and Above*

- The PW rate will be a weighted average of the total wage and fringe benefit package of all journeyman hours submitted by contractors/subcontractors.
- Only hours reported by contractors/subcontractors on non-residential projects will be used to calculate the new annual wage order.

Employers may hire one federally-registered “apprentice” or “entry-level worker” for each journeyman hired and pay them no less than 50% of the pay (including fringe benefits) of a journeyman in their same occupational title.

Hours worked by “federally-registered apprentices” or “entry-level workers” on public works projects are not eligible to be used in calculating the Annual Wage Order.

More information on how the prevailing wage is calculated may be found at https://labor.mo.gov/prevailing-wage.

The list of occupational titles has been consolidated and reduced to 20. Those submitting hours may continue to use the same occupational titles as in the past. The online reporting system will automatically sort this information into the correct titles set forth in statute.

Prevailing wage hours submitted to the Division of Labor Standards may be entered online. Those reporting information via the online system will receive a copy of their submission by email. Handwritten submissions will not be accepted.

Anyone submitting false information to the Missouri Division of Labor Standards may be subject to criminal prosecution under state law (Sections 290.340, 570.090, 575.040 or 575.050 or 575.060, RSMo.)