



# Inflation Reduction Act

## FREQUENTLY ASKED QUESTIONS

### What are Davis-Bacon prevailing wages?

- The Davis-Bacon Act states that **construction workers on federal and federally-assisted projects are entitled to the locally prevailing wage. This is the basic hourly rate and fringe benefits rate.** Fringe benefits include life insurance, health insurance, pensions, vacation pay, holiday pay, and supplemental unemployment benefits.

### How can I find the applicable wage rate?

- The Department of Labor (DOL) establishes prevailing wage rates by county for each classification of worker based on survey data from area construction projects. **Prevailing wage rate schedules – known as “Wage Determinations” – are available at [sam.gov](https://sam.gov)** (click “Wage Determinations,” then “Public Building or Works,” then enter project location and “construction type”).
- When searching for Wage Determinations, be sure to **select the correct “construction type.”** DOL issues Wage Determinations for: Building, Heavy, Highway, and Residential.<sup>1</sup>

<sup>1</sup> For examples of how DOL classifies projects under each category, see All Agency Memo. ([AAM No. 130](#) and [AAM No. 236](#) (AAMs are available at [sam.gov](https://sam.gov))).

### Who must be paid prevailing wages on a clean energy project seeking bonus tax credits from the Inflation Reduction Act (IRA)?

- Prevailing wages must be paid to **all workers performing construction, alteration, or repair work** (e.g., electricians, ironworkers, insulators, laborers, operators, plumbers, sheet metal workers) on a renewable energy project seeking bonus tax credits from the IRA. Even independent contractors must receive prevailing wage rates.
- **Contractors may pay less than the prevailing rate to apprentices in Registered Apprenticeships.** Generally, such apprentices must be paid and utilized according to their apprenticeship program agreement. If the agreement is silent on fringe benefits, the full fringe benefit amount on the applicable Wage Determination must be paid to satisfy the IRA prevailing wage requirement. Apprentices who are **not** in a Registered Apprenticeship Program must receive the full prevailing wage.

### Can Construction Wiremen/Construction Electricians (CW/CEs) work on IRA projects?

- Yes. CW/CEs can work on IRA projects, but to **qualify for a bonus credit, they must be paid the prevailing wage.**
- **The prevailing wage rate applicable to CW/CEs is the prevailing wage of the Electrician classification on the applicable Wage Determination.** The same principle applies to nonunion contractors that use solar technicians on IRA projects: to qualify for the bonus, the solar technician must be paid the rate of the Electrician classification.
- **However,** if a CW/CE later becomes an apprentice in a Registered Apprenticeship, then they may be paid according to their apprenticeship program agreement.