POLITICO ALERT

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**DIR eCPR Enforcement on Hold**

Public works reforms (SB 854) were signed into law on June 20, 2014 as part of the State Budget. The reforms made several significant changes to the administration and enforcement of prevailing wage requirements by the Department of Industrial Relations (DIR). One requirement of SB 854 stated that DIR establish an Electronic Certified Payroll Reporting (eCPR) system and beginning January 1, 2016, that all contractors and subcontractors must furnish electronic certified payroll records directly to the Labor Commissioner (also known as the Division of Labor Standards Enforcement) through the eCPR system.

Our office has fielded numerous calls and e-mails from contractors who are frustrated with the technically complicated and cumbersome eCPR system. Over the past few months we have been meeting with the Department of Industrial Relations (DIR) to discuss the issues our contractors were having with implementation of the system. To their credit, DIR listened to our concerns and in December issued a [notice](http://r20.rs6.net/tn.jsp?f=001vhbF7qyk0CsPtOw6oQuoF5vUd-GdpvVngvJETgvXcfMzfKtpWnzlgEGjKHwwtXLtMPWK3TcGlXtgvfBPUOAeTFVi7RIj6rBeKgHCxLcKGbEi89HjlWbFa0PNetpidfbIaSMz_l6ziH87jHT6O1q1SKt9ITz_kQxg4i_JLBskYlpsiJ3ANysh7UgXHZsFQADo0ALvD9siDM9NultHwLBsyQM-jnQnpF-p&c=bJX2eZorNM8Qg4OEl2Bpft0cvp6d45F2_FJGPfMQsF4eNIVbF7vplA==&ch=Qv1w9WCDaiI0vmMrmAlpASunG_VpBvmi7yS6xWbjwRSNxsxh_TjGQw==) to all awarding bodies clarifying that contractors should not be penalized based solely on information in the DIR's eCPR system. That notice was needed to protect contractors from improper payment withholdings, but unfortunately did nothing to relieve the burden on contractors who have been spending an inordinate amount of time and money trying to comply with the system. Now, **because of our continued efforts, the DIR issued an important** [notice](http://www.dir.ca.gov/Public-Works/eCPR_important_notice.pdf) **that puts the eCPR system on hold while DIR works on improvements to the system.** **This applies immediately to ALL public works projects that were subject to the eCPR requirement.** Contractors are still expected to comply with the DIR public works registration requirements for themselves and any subcontractors or service providers who perform work covered by prevailing wages, as well as all other certified payroll reporting requirements. However, there is no need to use the DIR eCPR system until further notice; the DIR is hoping to have it operational by June 2016.

Both notices can be found at the following links:

Notice to awarding bodies: <http://www.dir.ca.gov/Public-Works/Public_Works_Notices.html>

Notice of eCPR delay: <http://www.dir.ca.gov/Public-Works/eCPR_important_notice.pdf>