
**INSTRUCTIONS FOR PREPARATION OF DD FORM 879,
STATEMENT OF COMPLIANCE**

This statement of compliance meets needs resulting from the amendment of the Davis-Bacon Act to include fringe benefits provisions. Under this amended law, the contractor is required to pay fringe benefits as predetermined by the Department of Labor, in addition to payment of the minimum rates. The contractor's obligation to pay fringe benefits may be met by payment of the fringes to the various plans, funds, or programs or by making these payments to the employees as cash in lieu of fringes.

The contractor should show *on the face of his / her payroll all monies paid to the employees* whether as basic rates or as cash in lieu of fringes. The contractor shall represent in the statement of compliance that *he / she is paying to others* fringes required by the contract and not paid as cash in lieu of fringes. Detailed instructions follow:

**CONTRACTORS WHO PAY
ALL REQUIRED FRINGE BENEFITS**

A contractor who pays fringe benefits to approved plans, funds, or programs in amounts not less than were determined in the applicable wage decision of the Secretary of Labor shall continue to show on the face of the payroll the basic cash hourly rate and overtime rate paid to employees, just as always done. Such a contractor shall check paragraph 4(a) of the statement to indicate that payment is also being made to approved plans, funds, or programs not less than the amount predetermined as fringe benefits for each craft. Any exception shall be noted in Section 4(c).

**CONTRACTORS WHO PAY NO FRINGE
BENEFITS**

A contractor who pays no fringe benefits shall pay to the employee and insert in the straight time hourly rate column of the payroll an amount not less than the predetermined rate for each classification plus the amount of fringe benefits determined for each classification in the applicable wage decision. Inasmuch as it is not necessary to pay time and a half on cash paid in lieu of fringes, the overtime rate shall be not less than the sum of the basic predetermined rate, plus the half time premium on the basic or regular rate, plus the required cash in lieu of fringes at the straight time rate. To simplify computation of overtime, it is suggested that the straight time basic rate and cash in lieu of fringes be paid separately stated in the hourly rate column, thus \$X.XX/XX. In addition, the contractor shall mark paragraph 4(b) of the statement to indicate that payment is being made of fringe benefits in cash directly to employees. Any exceptions shall be noted in Section 4(c).

USE OF SECTION 4(c) EXCEPTIONS

Any contractor who is making payment to approved plans, funds, or programs in amounts less than the wage determination required is obliged to pay the deficiency directly to the employees as cash in lieu of fringes. Any exceptions to Section 4(a) or 4(b), whichever the contractor may mark, shall be entered in Section 4(c). Enter in the Exception column the craft, and enter in the Explanation column the hourly amount paid the employees as cash in lieu of fringes, and the hourly amount paid to plans, funds, or programs as fringes.