

Workers' Compensation Premium Audit Department



Notice to Dual Wage Contractors: California Time Record Requirements

In 2001, the Department of Industrial Relations (DIR) Industrial Welfare Commission established Order No. 16-2001, which regulates wages, hours and working conditions in certain on-site occupations in the construction, drilling, logging and mining industries. As part of Order No. 16-2001, construction employers are required to maintain **precise records of hours** worked each day, including records showing when the employee begins and ends each work period.

Meal periods, split shift intervals, and total daily hours worked must also be recorded. Meal periods during which operations cease and authorized rest periods need not be recorded.

Effective January 1, 2008, the Workers' Compensation Insurance Rating Bureau of California (WCIRB) began requiring audits of time records for non-salaried employees, in order to clarify the assignment of dual wage or erection classifications. If proper time records are not maintained showing hours worked each day, as required by Order No. 16-2001, **ALL EMPLOYEES MUST BE PLACED INTO THE LOWER WAGE THRESHOLD CLASSIFICATION.**

Salaried employee thresholds are calculated based on 2000 hours or pro-ration thereof if not employed for the full year.

If Verifiable Compliant Time Records are not maintained, all wages go to lower threshold classification

EXAMPLES OF COMPLIANT AND NON-COMPLIANT TIME RECORDS:

Compliant Record:

Note: This example shows appropriately recorded IN and OUT times.
If all work at a job site ceases for lunch at the same time, in and out for lunch is not needed.

NAME	WEEK ENDING				
	Time IN	Time OUT	Time IN	Time OUT	Hours
Mon	8:00	11:30	12:00	4:30	8:00
Tue	8:00	11:30	12:00	4:30	8:00
Wed	8:00	11:30	12:00	4:30	8:00
Thu	8:00	11:30	12:00	4:30	8:00
Fri	8:00	11:30	12:00	4:30	8:00

Non-Compliant Record (All wages will be classified in the Lower Threshold Class):

Note: This example is missing times clocked IN and OUT, and is not "Verifiable Compliant".

NAME	WEEK ENDING				
	Time IN	Time OUT	Time IN	Time OUT	Hours
Mon					8:00
Tue					8:00
Wed					8:00
Thu					8:00
Fri					8:00

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