

How does a union rate affect me in construction?

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A labor or trade union is an organization of workers representing the rights of employees in certain fields and industries by negotiating with employers to protect members' interests. Each union "collectively bargains" on behalf of their members for the different union rates, deductions and benefits. If a company wants to employ workers belonging to a given union, they must agree to comply with the terms of the union contract, or Collective Bargaining Agreement (CBA).

If you're in the construction business you probably employ employees belonging to unions to fill the skills needed to complete a project. Regardless of whether you work on government-funded projects or private projects, unionized employees have a defined wage scale similar to prevailing wage. The union rate is the required hourly rate the employer must pay the employee to be in compliance with the rules of the specific union. If a union member is not receiving the expected rate of pay and benefits, the employer is subject to union disputes.

The union rate is determined by the union the employee is a member of (e.g. teamsters local 999), their seniority level in the union (e.g. an apprentice, journeyman), and their role (foreman, steward, etc.). It is also common for required premiums to be paid on top of the hourly union rate if union members work with hazardous material, perform evening or weekend work, or meet other requirements spelled out in the union contract.

Examples of union rate scenarios:

Employee A is a member of a union and has only been with the union for less than a year, so they are classified as an Apprentice-1 which has a defined pay rate of 60% of the full Journeyman rate. If the full Journeyman rate is \$30/hr, this employee's union rate is \$18/hr until they stay with the union to the next wage tier.

Employee B is a member of a union as a full journeyman, but also works with dangerous chemicals, so the union requires they be paid an additional \$1.00/hr, and in the prior week they worked in the evenings, requiring an extra \$.50/hr. Due to these factors, this employee would get a rate of \$31.50/hr.

Most Time and Attendance systems are not designed for these complexities.

How can IDI help?

IDI can automate your time-consuming processes! Our Time Bank™ Multiple Labor Rates solution is designed for companies employing unionized workers, which requires paying contract-mandated union wage rates and union benefit rates based on seniority, role, and other factors for additional premiums. Our solution removes the need to rely on time-consuming and error prone manual calculations for compliance.

When Time Bank is run at the end of the pay period, it retrieves the time and labor information from the time system and associates the specific rates of pay, including any premiums and benefit earnings, with the union, job, and worker classification. After determining rates, Time Bank calculates

the weekly average rate of pay, or FLSA rate, used for all overtime hours in accordance with FLSA guidelines.

With the click of a button, Time Bank reads the rates from a stored user-maintained table or from a client-provided comma-delimited file, the calculation is made, and the results are passed to payroll.

Also need union reporting?

On a monthly or quarterly basis unions require reports showing what members were paid in wages and benefits, their attendance records, or other employment information. Most of these reports can be handled by your payroll system, so check with your payroll provider first.

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