



**Christine Baker, Director**  
Office of the Director  
1515 Clay Street, 17<sup>th</sup> Floor  
Oakland, CA 94612

**Eric Rood, Assistant Chief**  
Division of Labor Standards Enforcement  
160 Promenade Circle, Suite 330  
Sacramento, CA 95834

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## **Notice Clarifying Certified Payroll Reporting (CPR) Requirements and Obligation to Furnish CPRs to the Labor Commission Using DIR's electronic Certified Payroll Reporting (eCPR) System**

This Notice is being issued to clarify and update an Important Notice dated January 21, 2016, and the corresponding Public Works Newline item No. 2016-04.

Background: One of the changes made by the public works reform legislation known as SB 854 was a requirement for contractors and subcontractors on most public works projects to furnish certified payroll records (CPRs) to the [Labor Commissioner](#) on a regular basis. Under Labor Code section 1771.4, this requirement was to be phased in, applying first to projects that were under the old Compliance Monitoring Unit, second to new projects awarded on or after April 1, 2015, and finally to all projects (except those exempted by the Labor Commissioner) as of January 1, 2016.

DIR deployed a new electronic Certified Payroll System (eCPR) in June of 2015, and since then several thousand contractors have successfully uploaded hundreds of thousands of CPRs. However, it also came to DIR's attention that many contractors were having difficulties with the new system. DIR decided that it would be better to make additional improvements to the system before requiring contractors on all projects to start using it.

Enforcement on hold but eCPR system continues in operation: In January DIR announced its decision to temporarily halt *enforcement of the requirement to use the eCPR system*, pending further outreach, education, and upgrades to that system. This was *not* a suspension of the 85 year old requirement to keep CPRs. Keeping appropriate CPRs records and furnishing them on request to the Labor Commissioner, awarding bodies, and anyone else authorized to request them is *still a mandatory requirement*. DIR's eCPR system was not shut down, it is still up and running, and contractors can choose to continue submitting CPRs through that system.

Who should furnish CPRs / Who needs to furnish CPRs to the Labor Commissioner: Contractors should remain aware of the need to keep CPRs for all work on public works projects and of the possibility that the Labor Commissioner, awarding body, or another agency may ask you to produce those records at any time.

*Notice Clarifying Certified Payroll Reporting (CPR) Requirements, cont.*

Keep in mind:

- If you have already had success using the eCPR system, *please continue to use it (or please resume using it)*, especially if you have had success uploading records via xml.
- Please continue (or resume) using the eCPR system even if you have experienced minor glitches (such as the renumbering of payrolls as of January 1 or need to reattach yourself to an ongoing project).
- DIR particularly wants to continue receiving CPRs through the eCPR system for all Clean Energy projects funded by Proposition 39 and for all new projects awarded on or after April 1, 2015.
- DIR encourages new users to use the system (although DIR won't require this until the upgrades are deployed). Video tutorials are now available to help guide you.
- DIR does not plan to require retroactive submission of CPRs on a mass basis once the upgrades are in place. However, DIR will require that CPRs are furnished for any missing time periods on Clean Energy (Prop 39) projects, and CPRs may also be requested for other project categories or individual projects. Contractors must decide whether to submit the CPRs electronically or on paper.
- Enforcement of the requirement to furnish CPRs through the eCPR system will resume when the upgrades currently in development are deployed. The upgrades are slated to occur, in July 2016.

A word for Awarding Bodies: All requirements remain in place, including your duty to register all public works projects using the PWC-100 form, the requirement that contractors and subcontractors be registered with DIR before bidding or working on a public works contract, and your continuing obligation to monitor and enforce labor compliance on all public works projects. You can go on DIR's website to [verify contractor registration](#). However, you should not use DIR's eCPR system to verify whether contractors are complying with the duty to furnish CPRs until the eCPR system is upgraded.