ABC Rhode Island
Associated Builders and Contractors

June 2, 2026

The Honorable Members of the Rhode Island Department of Labor and Training

RE: Opposition to Proposed Prevailing Wage Regulation – Creation of a Prevailing Retirement or Pension Benefit Rate (Section 3.4(BB))

Dear Director Weldon and Members of the Department:

On behalf of Associated Builders and Contractors of Rhode Island (ABC Rhode Island), representing merit shop contractors, subcontractors, suppliers, and construction professionals throughout the state, I respectfully submit these comments in opposition to the proposed addition of Section 3.4(BB), which would establish a "Prevailing Retirement or Pension Benefit Rate" for each worker classification under Rhode Island's prevailing wage regulations.

ABC Rhode Island is concerned that this proposed regulation creates a new benefit mandate that extends beyond the requirements established under federal Davis-Bacon wage determinations and existing Rhode Island prevailing wage law. Historically, prevailing wage requirements have recognized fringe benefits as a total package, allowing employers flexibility in determining how those benefits are provided to employees. The proposed regulation appears to separate one component of the fringe benefit package and establish a mandatory retirement or pension contribution amount for each classification.

This approach raises significant legal and administrative concerns. First, it is unclear whether the Department possesses the statutory authority to establish and mandate specific portions of an employee's fringe benefit package independent of the overall prevailing wage determination. Rhode Island law provides the Department with authority to determine prevailing wage and fringe benefit rates; however, the proposed regulation appears to go further by dictating how employers must allocate those benefits.

Second, the regulation may create conflicts with the structure and intent of federal Davis-Bacon wage determinations. Federal prevailing wage determinations generally establish wage and fringe benefit rates without requiring employers to dedicate a specific portion of the fringe benefit amount to retirement or pension benefits. By imposing a separate retirement benefit requirement, Rhode Island risks creating an additional mandate that is not contained within the federal framework upon which many prevailing wage classifications are based.

Finally, the proposal could significantly increase administrative complexity and compliance burdens for contractors performing public work. Many contractors maintain benefit programs that differ in structure from collectively bargained pension plans but nevertheless satisfy prevailing wage obligations through a combination of health insurance, retirement contributions, paid leave, apprenticeship training, and other qualifying benefits. Requiring a separate retirement or pension contribution could limit employer flexibility, increase costs, and create confusion regarding compliance requirements.

ABC Rhode Island respectfully requests that the Department withdraw or postpone implementation of Section 3.4(BB) until these concerns can be fully evaluated and stakeholders have an opportunity to engage in a more detailed discussion regarding its necessity, legality, and potential consequences.

Thank you for your consideration of these comments. We appreciate the opportunity to participate in the regulatory process and look forward to working collaboratively with the Department on policies that promote fair competition, regulatory clarity, and workforce development within Rhode Island's construction industry.

Sincerely,

Joseph P Lopes

Joseph P Lopes
President/CEO
Associated Builders and Contractors of Rhode Island