

Copeland Act
([18 USC §874](#) and [40 USC §3145](#); [29 CFR Part 3](#))

Who is Covered

The "Anti-Kickback" provision of the Copeland Act applies to contractors and subcontractors that perform work on contracts for the construction, prosecution, repair, or completion of public buildings, public works, or works which are financed in whole or in part by loans or grants from the United States. This provision applies even where no labor standards statute covers the contract, but does not apply to contracts for which the only federal assistance is a loan guarantee.

The Copeland Act provisions pertaining to payroll deductions, the submission of weekly payroll reports, and the method by which contractors and subcontractors must pay their employees apply to contracts in excess of \$2,000 for the construction, prosecution, repair, or completion of public buildings, public works, or works which are supported by the United States, including buildings or works for which the federal assistance granted is in the form of loan guarantees or insurance.

A public building or public work is a building or work for whose construction, prosecution, completion, or repair a federal agency is a contracting party, regardless of whether title thereof is in a federal agency.

Basic Provisions/Requirements

The Copeland Act's Anti-Kickback provision prohibits contractors and subcontractors performing work on covered contracts from in any way inducing an employee to give up any part of the compensation to which he or she is entitled. The Copeland Act and implementing regulations also require contractors and subcontractors performing on covered contracts to pay their employees on a weekly basis and in cash or a negotiable instrument payable on demand and to submit weekly payroll reports of the wages paid to their laborers and mechanics during the preceding payroll period. Additionally, the Act's regulations at 29 CFR §§ 3.5 and 3.6 list payroll deductions that are permissible without the approval of DOL and those deductions that require consent of DOL and prohibit all other payroll deductions.

Submission of Deduction Requests to the Department of Labor

Deduction request letters may be submitted electronically by emailing a scanned a copy of the signed request to dbadeductions@dol.gov. You may also send your request in by mail to:

Branch Chief
Branch of Government Contracts Enforcement
200 Constitution Avenue, NW
Room – S-3006
Washington, DC 20210

Employee Rights

The Anti-Kickback provision of the Copeland Act gives workers on covered Federal contracts the right to receive the full pay to which they are entitled for the work they perform. The Act also protects workers on covered contracts from payroll deductions that are not explicitly permitted under DOL's regulations or otherwise approved of by DOL. It gives such workers the right to receive pay on a weekly basis, and entitles them to receive their pay in cash or a negotiable instrument payable on demand. The [Wage and Hour Division](#) accepts complaints of alleged Copeland Act wage violations. Local Wage and Hour Division offices are listed on the DOL web site at: www.dol.gov/whd/america2.htm

Recordkeeping and Reporting

Recordkeeping

Contractors and subcontractors are required to keep payroll records for each laborer and mechanic on covered projects, recording accurately and completely the following:

- Employee's name and address;

- Correct classification and rate of pay;
- Daily and weekly number of hours worked;
- Deductions made; and
- Actual wages paid

Contractors and subcontractors performing on covered contracts are required to preserve the weekly payroll records for a period of three years from the date the contract is completed. Additionally, contractors and subcontractors performing on covered contracts are required to make the payroll records available at all times for inspection by the contracting officer or authorized representative, and by authorized representatives of the Department of Labor.

Reporting

There are reporting requirements under the Copeland “Anti-Kickback” Act for contractors and subcontractors performing on contracts in excess of \$2,000 for the construction or repair of public buildings, public works, or buildings or works supported by the federal government. Each covered contractor and subcontractor must provide the Federal agency contracting officer with a weekly payroll report of wages paid to each of its laborers and mechanics during the preceding weekly payroll period. Each weekly statement of wages submitted shall be accompanied by a “Statement of Compliance.” Statements of Compliance are to be made on the [Form WH-347 “Payroll \(For Contractors Optional Use\)”](#) or on any form with identical wording. The weekly payroll report must be submitted within seven days after the regular pay date for the pay period.

Penalties/Sanctions

Any contractor or subcontractor who induces an employee working on a covered contract to give up any part of the compensation to which he or she is entitled is subject to a \$5,000 fine, imprisonment for up to five years, or both. Willful falsification of the Statement of Compliance may subject the employer to civil or criminal prosecution and may be cause for contract termination or debarment. Contractors may challenge determinations on debarment before an Administrative Law Judge. Decisions of Administrative Law Judges may be appealed to the Administrative Review Board (ARB).

ARB determinations on debarment may be appealed to and are enforceable through the federal courts. Civil and criminal sanctions are pursued through the federal courts.

Relation to State, Local, and Other Federal Laws

The "Anti-Kickback" provisions apply to contractors and subcontractors that perform work on contracts for construction or repair to which a federal agency is a party or that are financed in whole or in part by loans or grants from the federal government, except for those contracts where the only federal assistance is a loan guarantee. The provisions of the Act and the regulation pertaining to the weekly payroll reports and payroll deductions apply to contractors and subcontractors performing on federally assisted contracts, including contracts for which the only federal assistance is a loan guarantee or insurance, but only if the contractor or subcontractor is subject to federal wage standards.

Compliance Assistance Available

The Department of Labor provides employers, workers, and others with clear and easy-to-access information and assistance on how to comply with the Copeland "Anti-Kickback" Act. Compliance assistance related to the Act "including the text of the statute and regulatory and interpretive materials" is available on the [Copeland "Anti-Kickback" Act Compliance Assistance webpage](#). Also, the [Wage Determinations Learning Center](#) provides help understanding wage determinations, a quick-start guide, and the ability to search wage determinations.

DOL Contacts

[Wage and Hour Division](#)

[Contact WHD](#)

Tel: 1-866-4-US-WAGE (1-866-487-9243)*

*If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.