

Inflation Reduction Act (IRA) Prevailing Wages

INFO SHEET

The Inflation Reduction Act funnels \$369B into the U.S. economy over 10 years — coming in the form of both Investment Tax Credits (ITC) and Production Tax Credits (PTC).

For contractors and developers constructing clean energy facilities (solar, wind, hydrogen, carbon sequestration, EV charging stations and more), bonus Inflation Reduction Act tax credits are available if additional prevailing wage and registered apprenticeship requirements are met.

At RenewableWorks, we strategize with our partners to assist them in meeting their prevailing wage requirements on IRA-eligible projects.

Here are a few quick facts about IRA prevailing wage requirements.

Who is paid prevailing wages?

- Laborers, mechanics and operators across all scopes and disciplines on the construction, alteration or repair of a qualified facility
- A "laborer or mechanic" generally includes workers whose duties are manual or physical in nature (can include foremen as long as more than 20% of their time in a workweek is devoted to laborer or mechanic duties)

Excluded: Foreman (dependent on percent of time spent on mechanic or laborer duties), QA/QC, Stormwater pollution prevention planning personnel, Safety, Management and Admin personnel

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How are wages determined?

Wage Determinations (WDs) are provided by the Department of Labor (DOL) and can be found on www.sam.gov.

- Must use the "Heavy Construction Category"
- Published wages vary from county in all states
- Per DOL guidance, states may require the employer to pay higher state prevailing wages where applicable

What are the potential challenges?

- State regulations may require electricians to install panels and racking
- WDs may lack necessary occupations — Supplemental WD needed
- Published wages may be lower than market wages
- Project labor agreements and collective bargaining agreements may require employers to use specific trades in impacted jurisdiction

Assistance with IRA prevailing wage requirements

The RenewableWorks certified payroll team has been working with prevailing wages for decades. We work closely with our partners to determine correct employee classifications and corresponding wage determinations based on the latest guidance from the U.S. Department of Labor (DOL).

Plus, should you need them, we ensure all compliance efforts are documented and easy to access. Moral of the story: We work hard to support and assist our partners in meeting their IRA prevailing wage requirements.

Trust Your Projects to the IRA Experts

Looking for best-in-class solar construction services for your IRA-eligible project? RenewableWorks can help bring it to life — and maximize your tax credits!

Get in Touch

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