

March 3, 2009

Testimony by:

Debra Miller Sarazin of Sarazin General Contractors, Inc.

Before the Committee on Labor and Public Employees

I come before you today to respectfully request that the committee

VOTE IN SUPPORT OF

SB-920

**AN ACT CLARIFYING PENSION OBLIGATIONS OF
CONTRACTORS AND SUBCONTRACTORS**

I am a general contractor performing work in Connecticut on primarily state funded projects that mandate the payment of prevailing wage. We are required to provide certification that our company paid the wages correctly (certified payroll). We receive certified payroll from our subcontractors as well and transmit them to the proper authorities. These certified payroll affidavits contain a statement that the records are correct, the rates paid are correct, and that contributions and benefits paid on behalf of the employee to certain pension-type funds have been made. It is supposed to be a Class D felony to falsify this affidavit.

I recently utilized the same subcontractor on two different projects with prevailing wage requirements. This subcontractor was a certified minority owned business. As laid out in our affirmative action plan, my company did everything to assist this company with completing the project. For example, we assumed the burden of having all material supplier bills paid to the contractor monthly via joint check. Numerous times invoices were paid prior to our company receiving funds from the owner, to facilitate the payment of wages, benefits and taxes. We have paid 100% of the contract amount due to this subcontractor. Almost a year after the completion of these projects, we received a call from the Department of Labor that pension fund deposits were not made on behalf of the employees working for this subcontractor on our two projects. The Department of Labor asked us to withhold further payments. As previously stated there are no further funds due to this subcontractor, as we had already paid him in full. The Department of Labor has made it clear that should they be unable to collect the monies due from the subcontractor, they will expect us to pay the contributions even though we did our due diligence, and already paid the subcontractor in full. The amount is between fifty and seventy five thousand dollars.

Contractors need to rely on the information provided by subcontractors as valid. Pension fund companies need to notify the parties involved if a subcontractor is behind in payments. Employees should be confident that the benefits they are entitled to are properly accounted for. Contractors should not have to pay twice.