

DBRA-19

July 15, 1980

This is in reply to your letter requesting our opinion as to whether an employer's contributions to a legal services trust may be recognized as a bona fide fringe benefit within the meaning of the Davis-Bacon Act.

We have carefully reviewed the legislative history of Public Law 93-95, approved August 15, 1973, which amended section 302(c) of the Labor Management Relations Act of 1947, "to permit employer contributions to jointly administered trust funds established by labor organizations to defray costs of legal service," together with the legislative history of the fringe benefits amendment of the Davis-Bacon Act and we have concluded that contributions to a fund to provide legal services would be a bona fide fringe benefit within the meaning of section 1(b)(2) of the Act provided the plan otherwise meets the requirements of the Act and the regulations. Thus, a legal services plan is a recognizable fringe benefit, and is included in the fringe benefits on wage determinations issued by the Department of Labor if it prevails in the locality. In any event, payments pursuant to such a bona fide plan would be creditable toward the wage obligation of a contractor or subcontractor under the Act.

Sincerely,

Dorothy P. Come
Assistant Administrator