

DEPARTMENT OF LABOR AND INDUSTRY  
WORKFORCE SERVICES DIVISION  
APPRENTICESHIP & TRAINING PROGRAM



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Dear Apprenticeship Sponsor:

The Apprenticeship and Training Program is sending you this very important communication concerning the apprentice wage structure. The Apprenticeship and Training Program has recently heard concerns from sponsors that the current wage structure for apprentices working in the construction related occupations allows in some circumstances for apprentices to be paid more than some journeymen wage rates. In response to those concerns, the Program has reviewed the provisions of § 39-6-108, MCA, and advises you that the following methodology is appropriate:

1. Apprentice wages must start at no less than 40% of the State of Montana Prevailing Wage rate established in the Prevailing Rate district (s) of your primary business operation (assuming that such a rate is at least minimum wage). Over the term of apprenticeship, the wage progression schedule should not exceed the lowest paid journeymen rate paid in an employer/sponsor's shop.
2. Example: An electrical sponsor operating in Missoula, which is district 2, the prevailing wage rate is established at \$26.39. 40% of that rate is \$10.55, which would be the starting wage for an apprentice. The lowest paid journeymen rate for that shop is \$21.50. The wage progression schedule would be calculated by the following method: Lowest paid Journeymen rate \$21.50 – 40% of the state's district prevailing rate \$10.55 = \$10.95 range of progression of pay. Since there are six (6) established pay periods for the electrical apprenticeship and the starting period has been established, the \$10.95 progression amount is divided by the five remaining periods, which amounts to a \$2.19 increase in wages per training period. This will allow a predictable wage progression that will not exceed the established lowest journeymen wage rate.
3. Using the above formula in the example, a wage progression schedule for an electrical apprentice in district 2 would be the following:

1 <sup>st</sup> period 0 to 1,000 hours (40% of state prevailing wage):	\$10.55	( 49% of journeyman)
2 <sup>nd</sup> period 1,000 to 2,000 hours:	\$12.74	( 59% of journeyman)
3 <sup>rd</sup> period 2,000 to 3,500 hours:	\$14.93	( 69% of journeyman)
4 <sup>th</sup> period 3,500 to 5,000 hours:	\$17.12	( 80% of journeyman)
5 <sup>th</sup> period 5,000 to 6,500 hours:	\$19.31	( 90% of journeyman)
6 <sup>th</sup> period 6,500 to 8,000 hours:	\$21.50	(100% of journeyman)

4. The method used in the example provides for a consistent wage structure and the apprentice's wage does not exceed the lowest paid journeymen wage rate established by the sponsor. However, the Program is open to other methods for calculating the rate as long as the set parameters of the established base wage progresses to the established lowest established journeymen wage rate are utilized.

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5. The beginning wage rate will change from district to district, by trade and by the terms or length of apprenticeship. Although this change in determining apprentice wages will be beneficial to the employer/sponsor, due to the inconsistency of the lowest paid journeymen rate per shop, it will require some additional work for the Program to explain and update the standards.

There are exceptions to this revised wage structure. Please note the following:

1. If an employer is working on a project that by law (a Montana prevailing wage project or a federal Davis-Bacon funded project) or by contract where the employer/sponsor is obligated to pay the apprentice a percentage of a higher rate based on the apprentice's time in trade, the employer must use the higher rate for that project.
2. If the apprentice is working in another district where there is a different established rate, the employer may pay the apprentice for jobs worked in that other district, wages based on that district's established rates.
3. The revised wage structure will go into effect for all new apprentices entering into your Program. Due to language stated in your apprenticeship standards, existing apprentices already under an agreement can not have changes made to their standards, unless the apprentice voluntarily agrees to the change.
4. If the employer does not employ journeymen in the shop, the apprentice's progressive wage rate will be based upon the wage rate paid by the nearest apprenticeship sponsor in the district.
5. If there is an established collective bargaining agreement in effect, the sponsor will be obligated to abide by the terms of the CBA regarding apprentice wages.

If you are considering changing the wage structure in your registered apprenticeship standards, the Program will need to see at least a current one month cycle of payroll records for the verification of the lowest established journeymen rate. The Program would suggest for further information, district wage information and to start the process for changing your wage structure, that you contact your area Program Field Representative. The Apprenticeship and Training Program's Field Representatives can be reached at:

Darrell Holzer	North Western MT and Bozeman	406-444-9047	<a href="mailto:dholzer@mt.gov">dholzer@mt.gov</a>
Bob Sprenger	Eastern Montana and Livingston	406-444-2494	<a href="mailto:rsprenger@mt.gov">rsprenger@mt.gov</a>
Tom Letellier	North and South Central MT	406-444-7914	<a href="mailto:tletellier@mt.gov">tletellier@mt.gov</a>
Ken McLean	Missoula, Bitter Root Valley and Lake County	406-444-0839	<a href="mailto:kmclean@mt.gov">kmclean@mt.gov</a>

If you have questions concerning this communication, please feel free to contact me at 406-444-3556 or by email at: [mmaki@mt.gov](mailto:mmaki@mt.gov).

Sincerely yours,

Mark S. Maki, State Director  
Apprenticeship and Training Program  
Montana Department of Labor and Industry