

## **New requirements on retainage and release, effective October 1, 2009**

For public improvement contracts over \$35,000 and completed after September 30, 2009, public agencies must not pay any retained funds to the contractor until the Department of Labor & Industries (L&I) has approved the *release*, or payment.

When you receive L&I's approval, you may pay retained funds according to the instructions provided by L&I.

### **What changed?**

The 2009 Legislature added industrial insurance to the retainage and release laws for public works projects. The change was made to help combat the underground economy.

For projects greater than \$35,000, L&I must certify that contractors have paid their industrial insurance premiums before public agencies can release the retained 5 percent of the contract amount.<sup>1</sup> The departments of Revenue and Employment Security already use a similar process to collect debt owed to the state.

If premiums are unpaid, L&I can collect the debt from the retained amount. If additional debt remains, public agencies letting the contracts could be liable for unpaid premiums.

### **How can we get L&I's approval for release of retained funds?**

Immediately after acceptance of work, complete L&I form, "Notice of Completion of Public Works Contract" [F215-038-000] and submit it to L&I for review and approval. A copy of the form is enclosed. The form is also available at [www.Lni.wa.gov/FormPub](http://www.Lni.wa.gov/FormPub).

**Mail:** Department of Labor & Industries      **Fax:** 360-902-6897  
Contract Release  
PO Box 44274      **E-mail:** [ContractRelease@Lni.wa.gov](mailto:ContractRelease@Lni.wa.gov)  
Olympia, WA 98504-4274

### **Can we complete this process online?**

Not yet. For now, L&I will review your forms manually. An effort is underway to create an online process that will make it easier for you to do business with us. When the online process is ready, we'll notify you.

### **Questions?**

More information is available online at [www.Fraud.Lni.wa.gov](http://www.Fraud.Lni.wa.gov) under Education & Training.

If you have questions, you may also contact L&I directly:

**Phone:** 360-902-5759  
**E-mail:** [ContractRelease@Lni.wa.gov](mailto:ContractRelease@Lni.wa.gov)

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<sup>1</sup> House Bill 1555

Department of Labor and Industries  
 Contract Release  
 PO Box 44274  
 Olympia, WA 98504-4272



## Request for Contract Release

### NOTICE OF COMPLETION OF PUBLIC WORKS CONTRACT

Do not pay retained funds until you have Department of Labor and Industries approval

Contractor's Tax Registration No. (UBI No.) \_\_\_\_\_ Date: \_\_\_\_\_

From:

Name & Address of Public Agency	<b>Department Use Only</b>
	Assigned To:
	Date Assigned:

*Notice is hereby given relative to the completion of contract or project described below*

Project Name/Description of Project:	Contract Number:
	Contract Amount:
	Retained Amount:

Contractor's Name:	Telephone Number:
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Contractor's Address:
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Date Contract Awarded:	Date Work Commenced:	Date Work Completed:	Date Work Accepted:
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Surety or Bonding Company:
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Agent's Address:
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**Please list Subcontractors below:** *Continue Subcontractors list on other side.*

Subcontractor's Name	UBI Number:

<b>Disbursing Officer</b>	Comments:
Contact Name:	
Phone Number:	
Email Address:	

The Disbursing Officer must complete and submit this notice to the Department of Labor and Industries immediately after acceptance of the work done under this contract. Mail this notice to Department of Labor and Industries, Contract Release, PO Box 44274, Olympia, WA 98504-4274, or fax to (360) 902-6897 or e-mail to [ContractRelease@lni.wa.gov](mailto:ContractRelease@lni.wa.gov). NO PAYMENT SHALL BE MADE FROM RETAINED FUNDS until receipt of the Department's certificate of release, and then only in accordance with the certificate.

For assistance contact Contract Release at (360) 902-5360.

