



Texas Department of Agriculture  
Texas Community Development Block Grant Program  
PO Box 12847  
Austin, TX 78711

# POLICY ISSUANCE

## CDBG 19-01

Effective Date: March 26, 2019

**SUBJECT: Department of Labor's 2019 penalty adjustments for inflation – Overtime**

**BACKGROUND:**

In accordance with the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, the Department of Labor (DOL) annually adjusts its civil monetary penalties for inflation and other purposes.

The DOL adjustments for 2019 include an increase to the penalty for overtime violations, from \$26 per day to \$27 per day. See DOL's Chart of penalty changes: [U.S. Dept. of Labor website](#)

**ACTION:** The TxCDBG Project Implementation Manual is modified to reflect the annual DOL adjustment to the daily penalty in the following locations:

- Chapter 7
- Form A710 Final Wage Compliance Report
- Appendix F\*/HUD 4010 form – Federal Labor Standards Contract Provisions

**IMPLEMENTATION:** This change was effective on January 23, 2019. As provided by the Inflation Adjustment Act, the increased penalty levels apply to any penalties assessed on or after January 24, 2019.

- Any contract funded through TxCDBG that incurs penalties for violations of the Contract Work Hours and Safety Standards Act (CWHSSA) on or after January 24, 2019, must collect the DOL rate of \$27/day.
- Grant Recipients that assessed overtime penalties between January 24, 2019 and the effective date of this notice at the previous rate of \$26/day must comply with the revised rate; however, if the penalty rate is corrected and the full \$27/day is collected prior to May 31, 2019, TDA will not issue a finding of noncompliance for this matter.

A handwritten signature in black ink, appearing to read "Suzanne Barnard", written over a horizontal line.

Suzanne Barnard, State Director  
Texas Community Development Block Grant Program  
Texas Department of Agriculture

**Policy Issuance 19-01 - Changes to Chapter 7, page 8, under section 7.2.1 Restitution for Underpayment of Wages**

**9/1/2018 Implementation Manual paragraph:**

- The employer will also be liable to the Department of Labor for liquidated damages (overtime violation dollar penalty) computed at \$25 per day per violation. Contact the Labor Compliance Officer at TDA for further information.

**New paragraph as of 3/26/2019:**

- The employer will also be liable to the Department of Labor (DOL) for liquidated damages (overtime violation dollar penalty) computed at the current monetary penalty established by DOL for each calendar day on which an overtime violation occurred. DOL publishes adjustments to penalties not later than January 15 of every year in accordance with the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. A table of DOL's current monetary penalties may be found at <https://www.dol.gov/whd/resources/cmp.htm>. Contact the Labor Specialist at TDA for further information.