labor and material, a contribution to a Labor Welfare Fund is collectible from the surety. The case does not hold that said contribution is a part of "wages" but rather that the Miller Act does not limit coverage to wages and that the contribution is collectible under the broad coverage and intention of the Miller Act.

The 7½¢ contribution to a Labor Welfare Fund by an employer is not a part of the "wages" paid to employees. No provision of law or definition of "wages" could be found which would specifically include this payment as part of "wages," and the language of the Internal Revenue Act would seem to exclude such contribution (assuming that the Welfare Fund is a form of insurance). Further, the "force account" contract in referring to "rates of wage" (see (a) of said contract) and in specifically enumerating those payments made by the Contractor other than "rates of wage" for which the Contractor may be reimbursed (see (d)(3) of "force account" Contract) does not seem to contemplate reimbursement to employer for contributions to a Welfare Fund.

This conclusion is predicated upon a strict interpretation of the contract, in the absence of an agreement between Contractor and City as to said contributions being a part of "wages." If the parties actually intended that the Contractor was to be reimbursed for such contributions, such contributions should be allowed either under Section (d)(3), or under Section (a), whichever was intended.

It is understood that you have recently provided by directive that force account contracts shall hereafter include provision for reimbursement of health and welfare payments on wages under Section (d)(3).

If you feel that reimbursement of these payments should be made under the subject contract, it is suggested that