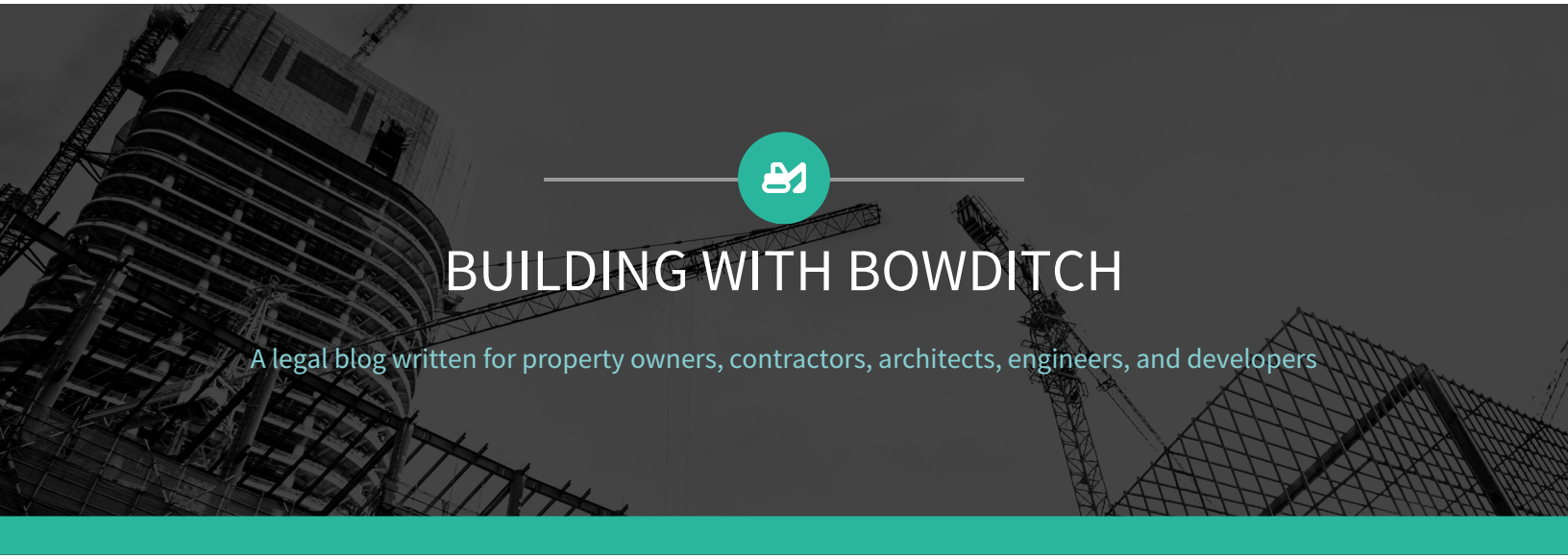

BUILDING WITH BOWDITCH

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Connecticut General Contractors Will Soon Be Liable for Unpaid Wages Owed by Subcontractors

BY ROY W. BJORLIN • OCTOBER 27, 2026

Beginning January 1, 2027, general contractors on many private construction projects in Connecticut will take on a new risk. They can be held responsible when a subcontractor fails to pay its employees.

Connecticut Public Act 26-12 makes a contractor that contracts directly with the owner jointly and severally liable for unpaid wages owed to employees of its subcontractors. The law reaches subcontractors at every tier, so the employee does not have to work for a subcontractor hired directly by the general contractor.

That means an unpaid worker may bring a claim against the subcontractor that employed the worker, the general contractor, or both. The general contractor can be responsible for the full amount even if it paid its subcontractor in full and had nothing to do with the wage violation. An employee may also recover twice the unpaid wages, along with costs and attorney's fees.

Before suing the general contractor, the employee generally must provide at least 30 days' notice describing the nature of the alleged violation. A new notice is not required if the contractor has already received notice of an earlier violation by the same subcontractor. The law also allows an existing action to be expanded to include other employees of that subcontractor.

The new law applies to covered private construction contracts entered into on or after January 1, 2027. Government contracts are excluded, as are certain residential projects, including home improvement contracts involving owner-occupied residences and projects involving one- and two-family dwellings, unless more than fifteen dwelling units are being constructed at a single site.

General contractors also cannot avoid the new liability through a waiver or release in their subcontracts. The law does, however, allow a contractor to protect itself contractually against the subcontractor that caused the problem. That can include rights to withhold payment, use retainage to satisfy wage claims, review payroll information, and require wage-

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compliance certifications.

For contractors doing work in Connecticut, the time to address this is before new contracts are signed. Subcontractors should be required to identify their lower-tier subcontractors, and prequalification should include some consideration of wage claims and financial stability. During the project, payroll issues and employee complaints should be investigated promptly, particularly because the 30-day notice period may provide an opportunity to resolve a claim before litigation begins.

The practical change is that a subcontractor's failure to pay its employees will no longer be only the subcontractor's problem. On covered contracts entered into beginning in 2027, that exposure can travel all the way up to the general contractor.

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