



State of Connecticut COMMISSION ON HUMAN RIGHTS AND OPPORTUNITIES

Legal Division ~ 450 Columbus Boulevard, Suite 2, Hartford, CT 06103

Promoting Equality and Justice for all People

Notice Regarding CHRO Retainage

Effective July 1, 2026

On public works contracts valued at one million dollars or more or for projects for which a construction manager has entered into a public works contract providing for a guaranteed maximum price valued at one hundred fifty thousand dollars or more, C.G.S. § 46a-68e requires that the awarding agency “shall withhold two percent of the total contract price per month from any payment made to such contractor until such time as the contractor has submitted all compliance reports required by the Commission.” The term “awarding agency” is defined by C.G.S. § 4a-60g as “a state agency or political subdivision of the state, including a municipality or quasi-public agency.”

That is to say that the retainage clause applies to any CMR project valued over \$150,000 or GC/CMR projects valued over \$1 million, regardless of whether the awarding agency is a state agency, quasi-public agency, or municipality.

Retainage held by any state agency, quasi-public agency, or municipality due to CHRO requirements should be considered as a part of any other retainage withheld rather than in addition to any other retainage.

In other words, if a municipality is withholding 5% of payments and 2% retainage is withheld on account of the CHRO, the total withheld is still 5%. The 2% for the CHRO should be considered as part of the 5%. At no time should retainage be withheld on account of the CHRO in excess of the limits set by C.G.S. Section 49-41b.

Even if the construction work is finished and the agency is ready to pay the contractor, the CHRO portion (the 2%) **cannot be released** until the CHRO provides written approval. The agency must keep that 2% on hand until the CHRO confirms that all required affirmative action and compliance documents are submitted and approved.