



## SCA Plus Memo

Bowhead performs contract work for the Federal government, some of which is subject to the Service Contract Act. In cases where the Service Contract Act is applicable, wage determinations are incorporated into the contract for each locality where work is performed by service-covered employees. Wage determinations specify minimum wage rates, health and welfare fringe benefit requirements, vacation requirements, and minimum holidays. Each employee must receive a minimum fixed contribution for health and welfare fringe benefits. This fixed contribution is paid to employees as a cash equivalent based on your hours worked each pay period (not to exceed 40 per work week) in addition to the regular hourly rate of pay. Bowhead also provides no less than the minimum required holidays to its full time service employees. Exact holidays are specified in the wage determination for the contract.

Bowhead considers the contract you are supporting to be an “SCA Plus” contract. This means you will receive benefits in excess of the SCA minimum requirements specified by the wage determination on the contract in which you work. This also means that you may be eligible to receive a “make whole payment” depending on which benefits you elect. If the cost of the benefits you elect is more than your health and welfare payment, you may be eligible to receive a “make whole payment” (in addition to your normal rate and the health and welfare payment) to help offset the cost of the benefits. This make whole payment is calculated by taking the total SCA cost of benefits, subtracting the health and welfare payment and then subtracting the non-SCA cost of benefits (non-SCA cost is the cost that a non-SCA employee would pay). That amount is then divided by the total number of hours worked in a year (2080) to come up with an hourly rate, which is your make whole payment. Keep in mind this rate will be paid out to you as an hourly rate based on your hours worked for each pay period (not to exceed 40 hours per work week).

Paid time off/PTO will be accrued on a per-pay period basis and will begin at a rate of 15 days per calendar year. It will be based on your anniversary date on the contract thereafter. Your PTO accrual schedule after 15 days will pick up based on the wage determination in the contract. For example if the wage determination states that employees should accrue 14 days of leave/PTO for the first 3 years then 17 days of leave/PTO at the 5 year mark, SCA Plus employees will start out accruing at 15 days per year and will remain at 15 days until they hit their SCA anniversary date at the five year mark, at which time they will start accruing at 17 days per year. The leave accrual schedule from the wage determination will apply moving forward from that point.

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