



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/SCA anniversary date 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. As an SCA Plus employee, you will be allowed to roll over unused leave from year to year that is equal to a year’s worth of leave accrual. Anything in excess of this amount will be paid out to you in your paycheck soon after your SCA anniversary date.



To ensure you receive the full amount of vacation as required by the wage determination (see example below), upon reaching your SCA anniversary date, you will receive a one-time adjustment to ensure that you receive the total number of days required upon your SCA anniversary date. You will then continue to accrue each pay period at the accrual rate commensurate with your years of service and there will be no need for any additional adjustments. If your start date with Bowhead and your start date on the contract are the same, no leave adjustment will be needed.

Example: An employee's SCA anniversary date is May 31, 2013, and he/she began with Bowhead on April 1, 2015, he/she would have five pay periods prior to his/her SCA anniversary date on the contract. For the pay periods prior to the first SCA anniversary date while employed by Bowhead, the employee would accrue at the rate of 4.62 hours per pay period. On May 31, 2015, an adjustment would be made to grant 96.9 hours of vacation which is the difference between the hours accrued over those five pay periods (5 pay periods X 4.62 hours = 23.10 hours) and the annual amount of 120 required.

For all pay periods after May 31, 2015, the employee would accrue at the normal rate of 4.62 hours per pay period which would equal a total of 15 days/120 hours vacation on or before the next anniversary date of May 31, 2016. Any vacation hours in excess of one year's worth of leave that are unused by May 31, 2016 would be paid out to the employee at that time.