

SCA: SERVICE CONTRACT ACT

What is the Service Contract Act (SCA)?

Service Contracts with non-exempt employees may be covered by the Service Contract Act (SCA), which specifies minimum rates of pay by labor category or position. The Department of Labor issues Wage Determinations specifying those minimum rates for a geographical area. Provisions of the Service Contract Act and the contract itself specify required minimum fringe benefit amounts, which may be paid out in a combination of fringe expenses and benefits or cash. Amounts paid in cash are commonly called “cash-in-lieu.” SCA also covers seniority rules for employees who have worked on the same contract but for different contractors. For these incumbent employees, the contractor must track their original service dates and use those dates to compute leave, seniority and other benefits.

An understanding of the SCA rules has a major impact on competitive bidding and on pay and employee issues.

MORE INFO

Where can I get more information about the SCA?

Go to

*<http://www.dol.gov/compliance/laws/comp-sca.htm>
for more information.*



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