

The MIL Corporation

Fringe Benefit Dollars



What are Fringe Benefit Dollars?

As an SCA covered employee, you earn a contract- specific dollar amount for every hour paid, (up to a maximum of 40 hours per week). This amount, referred to as Fringe Benefit Dollars (or “fringe”), is provided by MIL to pay for your group Health and Welfare benefit premiums.

What are Fringe Benefits?

The Service Contract Act applies to every contract with the principal purpose to furnish services to the United States through the use of service employees. As a service employee performing government contract work, you earn a specific fringe benefit dollar amount per hour paid (up to 40 hours maximum per week). This amount is separate and in addition to your hourly rate of pay. This amount is also subject to change on an annual basis, based on the government contract that you support. Your fringe benefit dollars are used to pay for company contributions toward your medical (if elected), life, disability and AD&D premiums. In addition, MIL also credits any vested 401(k) match and any form of paid time off in excess of the required amount. After such obligations are met, any remaining Fringe Benefit Dollars are remitted to you as a Fringe Differential stipend on a per pay period basis.

Paid Leave

SCA covered employees will earn the following paid leave:

Paid Vacation Leave – Prior to the first anniversary date, SCA-covered employees will earn paid vacation at the rate of 0.0192/hour worked. On the anniversary of an employees date of hire, SCA-covered employees will be issued a bank of vacation leave. The chart to the right provides the amount of vacation based on the years of service for a full-time employee that regularly worked at least 40 hours per week the prior year.

Paid Sick Leave – Covered employees will accrue paid sick leave on calendar-year basis. Paid sick leave will accrue at a rate of one hour of leave for every 30 hours worked up to a maximum of 56 hours of paid leave for each calendar year.

The McNamara-O’Hara Service Contract Act



The McNamara-O’Hara Service Contract Act (SCA) was enacted by Congress in 1965. The purpose of the SCA is to provide labor standards for certain persons employed by federal contractors to furnish services to federal agencies.

Years of Service	Vacation Hours
1-5 years	80
6-10 years	120
11 years & over	160

Fringe Benefit Dollar Contribution Scenario

You take a job with MIL making an annual salary of \$42,500 (hourly rate of \$20.43). Your fringe benefit dollar amount will be \$4.22* as a service employee. You then decide to enroll in MIL’s HSA (employee only) medical plan. The following is an example of what your pay may look like during a normal pay period:

Paycheck Example

Hours Worked	Hourly Rate	Fringe Benefit	Company Contribution	Fringe Differential
80	\$20.43	\$4.22	\$3.43	\$0.79

\$42,500 a year
» Fringe Benefit
» HSA Medical Plan

your paycheck

Hours Worked	Hourly Rate	Amount
80	\$20.43	\$1,634.40
80	\$0.79	\$63.20
Your Total Pay		\$1,697.60

* Note that the fringe benefit amount may vary by contract and is periodically subject to change.



PEOPLE MAKING THE DIFFERENCE

hr@milcorp.com | www.milcorp.com

HRS-126-02