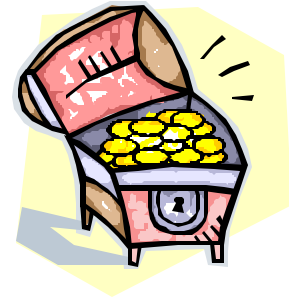




APD ALERT



NEW HEALTH & WELFARE FRINGE BENEFIT RATE FOR SERVICE CONTRACT WAGE DETERMINATIONS

Purpose

The alert calls your attention to the increased health and welfare fringe benefit rates for all Service Contract Act (SCA) wage determinations. As of June 1, 2004, the low level benefit became \$2.59 per hour, or \$103.60 per week or \$448.93 per month. The Department of Labor's (DOL) Wage and Hour Division (WHD) will continue to issue SCA wage determinations based on the average cost method of compliance. However, the WHD will only issue the average cost fringe benefit wage determinations for those contracts where the formerly grandfathered "high" level benefit rate applied. The high level benefit rate is now \$2.59 per hour. The low level benefit rate will supercede the "high" level benefit rate.

How does this affect me?

All Invitations for Bids opened, or other service contracts awarded on or after June 1, 2004, must include an updated SCA wage determination issued in accordance with the regulatory Health and Welfare Fringe Benefit determination methodology. A pen and ink change should be made to any recently received wage determination that does not contain the new Health and Welfare rate of \$2.59.

If the contract action is in the State of Hawaii, please refer to the DOL's

All Agency Memorandum Number 197 at www.wdol.gov/aam/AAM197.pdf

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