



HR Updates

by Insurance Marketing Center

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Health and Welfare Rate Required Only for Concurrent Leaves

The U.S. Department of Labor (DOL) has issued [questions and answers](#) (Q&As) on when federal contractors must include Service Contract Act (SCA), Davis-Bacon Act (DBA) or Executive Order 13706 fringe benefits--or their monetary equivalent--for workers taking leave under the Families First Coronavirus Response Act (FFCRA).

According to the Q&As, federal contractors whose work is covered by the SCA, the DBA or Executive Order 13706 generally do **not** have to pay the health and welfare fringe benefit rate that those laws and order would normally require when employees take FFCRA paid sick leave or expanded family and medical leave. The Q&As explain that the FFCRA mandates compensation only at the employee's regular rate, which does not include the health and welfare fringe benefit rate.

However, when FFCRA leave is taken **concurrently** with leave under the SCA, DBA or order, the fringe benefit rate **does** have to be provided to the employee on leave, if the employer was providing cash in lieu of fringe benefits.

In either situation, any employee health insurance benefits must be continued as if the employee were working.

The SCA and DBA require certain federal contractors to pay their workers at least the local prevailing wage rate, including fringe benefits. Executive Order 13706 mandates that contracts covered by the SCA and DBA provide workers with accrued paid sick leave.

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