

Government Contracting Pay & Schedule Guide: Understanding Non-Exempt Roles

In government contracting, pay structures can be complex, especially for salary non-exempt roles. These positions are paid hourly but marketed as salary positions, which means you're compensated for all hours worked but typically without an overtime (OT) premium. Here's a guide to break down the essentials, including CONUS (domestic) and OCONUS (overseas) rates, standard work schedules, and different shift types.

1. Salary Non-Exempt: What It Means:

- **Hourly Pay with "Salary" Label:** In a salary non-exempt role, you're given an hourly rate but marketed as a salaried employee. You're paid for all hours worked, often with variations in hours based on specific contract requirements, but there's no time-and-a-half or double-time for extra hours.
- **Paid for All Hours Worked:** You're compensated for each hour you work, whether that's 84 hours in a two-week period or more, depending on the shift schedule.

2. Pay Differences Between CONUS and OCONUS:

- **CONUS (Continental U.S.):** Standard domestic rates apply, with hourly pay set according to U.S.-based cost of living and government labor standards.
- **OCONUS (Outside Continental U.S.):** Rates are often higher due to overseas allowances, cost of living adjustments, or hazard pay, depending on the location. OCONUS roles in high-risk areas may include added incentives for working in challenging environments.

Example:

- **CONUS Rate:** \$50/hour → Paid for every hour worked at this rate.
- **OCONUS Rate:** \$65/hour → Higher rate reflects added location-based incentives.

3. Standard Pay Schedule: 84-Hour vs. 80-Hour Workweeks:

- **84-Hour Pay Schedule:** Many government contracts follow an 84-hour biweekly schedule instead of the traditional 80 hours. This often applies to shift-based roles, like those requiring a rotating or extended schedule.

Example:

- ✓ **84-Hour Schedule:** 7 days on, 7 days off. In a two-week period, you'd work 84 hours, paid at your standard hourly rate.
- ✓ **80-Hour Schedule:** A typical 40-hour workweek for two weeks, totaling 80 hours.

4. Common Shift Schedules and Their Impact on Pay:

Government contracts often require shift-based work to provide continuous coverage. Here are a few common shift types:

- **Panama Schedule:** A 2-2-3 rotation (2 days on, 2 days off, 3 days on) totaling 84 hours over two weeks.
 - ✓ **Example:** If paid \$50/hour, biweekly pay would be $50 \times 84 = \$4,200$.
- **Swing Shift:** Later hours, often from late afternoon to midnight. This shift may have a premium if the contract includes a shift differential.
- **12-Hour Rotating Shift:** Employees work 12-hour shifts in rotations, such as 4 days on, 4 days off. Over two weeks, this might add up to 84 hours.

Example for a 12-Hour Shift Schedule:

- **Hourly Rate:** \$60
- **Biweekly Pay:** $60 \times 84 = \$5,040$
- **24/7 Coverage Schedules:** Some contracts require continuous 24/7 coverage with rotating shifts (morning, swing, night), usually in an 84-hour biweekly cycle.

5. Shift Differentials, Weekend, and Holiday Pay

Some contracts offer additional pay, known as shift differentials, to employees scheduled on nights, weekends, or holidays.

1. Night Shift Differential: Extra pay for night shifts. Commonly 5-10% above base pay.
 - ✓ Example: Base Rate: \$50/hour, Night Shift: \$55/hour.
2. Weekend Pay: Some contracts offer a premium for weekend shifts (Saturday and Sunday).
 - ✓ Example: Base Rate: \$50/hour, Weekend Differential: \$3/hour, Total: \$53/hour for weekend shifts.
3. Holiday Pay: Higher pay rate for shifts worked on holidays. Commonly 15-20% above base rate.
 - ✓ Example: Base Rate: \$50/hour, Holiday Differential: \$10/hour, Total: \$60/hour on holidays.

Combined Differential Example:

- Scenario: You work a holiday weekend night shift.
- Saturday Night (Weekend + Night Shift): Base \$50 + Night \$5 + Weekend \$3 = \$58/hour
- Sunday Night (Holiday + Night Shift): Base \$50 + Night \$5 + Holiday \$10 = \$65/hour

6. Target Margins and Pay Structures Across Contracts

Margins vary by contract type, affecting final pay rates:

1. Cost-Plus Contracts: Lower margins (typically 8%-15%), as government reimburses costs plus a set fee.
2. Fixed-Price Contracts: Higher margins (15%-25%) due to the contractor assuming cost-overrun risks.
3. Labor-Intensive Subcontracts: Higher margins (20%-30%) in competitive fields like tech or cybersecurity to attract and retain skilled talent.

Key Takeaways for Candidates

- Check Pay Details: Verify your schedule, hourly rate, and any applicable shift differentials with your recruiter.
- Understand Required Shifts: If your schedule includes weekends or holidays, you'll likely be expected to work those shifts if they fall within your scheduled work period.
- Ask About Differentials: Not all contracts offer night, weekend, or holiday differentials, so clarify if these apply.

Disclaimer: This guide provides an overview of common pay structures and schedules in government contracting, but every contract, company, and program may differ. It's best to confirm specific details with your employer or recruiter to understand your exact pay structure.

Have questions or concerns?

Tier One Talent & Intel Recruiting

Tier1-talent.com

sgagliardi@tier1-talent.com

910.850.3055

Cleared & Confused LinkedIn: <https://www.linkedin.com/groups/13118066/>