PART 31—CONTRACT COST PRINCIPLES AND PROCEDURES

3. Amend section 31.205–6 by revising paragraph (o)(2)(iii)(A) to read as follows:

31.205–6 Compensation for personal services. *(o)(2)(iii)*(A) Be measured and assigned in accordance with one of the following two methods described under paragraphs (o)(2)(iii)(A)(1) or (o)(2)(iii)(A)(2) of this subsection:

(i) Generally accepted accounting principles. However, transitions from the pay-as-you-go method to the accrual accounting method must be handled according to paragraphs (o)(2)(iii)(A)(1)(i) through (iii) of this subsection.

(ii) In the year of transition from the pay-as-you-go method to accrual accounting for purposes of Government contract cost accounting, the transition obligation shall be the excess of the accumulated PRB obligation over the fair value of plan assets determined in accordance with subparagraph (o)(2)(iii)(E) of this section; the fair value must be reduced by the prepayment credit as determined in accordance with subparagraph (o)(2)(iii)(F) of this subsection.

PART 35—RESEARCH AND DEVELOPMENT CONTRACTING

4. The authority citation for 48 CFR part 35 is revised to read as follows:

Authority: 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 51 U.S.C. 20113.

35.017–7 [Amended]

5. Amend section 35.017–7 by removing “the Secretary of Transportation” and adding “the Secretary of Homeland Security” in its place.

PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

6. The authority citation for 48 CFR part 52 continues to read as follows:

Authority: 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 51 U.S.C. 20113.

7. Amend section 52.213–4 by revising the date of the clause and paragraph (b)(1)(ix) to read as follows:

52.213–4 Terms and Conditions—Simplified Acquisitions (Other Than Commercial Items). *(b)(1)(ix)* Minimum Wages Under Executive Order 13658 (DEC 2014) (Executive Order 13658) [Applies when 52.222–6 or 52.222–41 are in the contract and performance in whole or in part is in the applicable Internal Revenue Code. Allowable PRB costs based on such contributions shall—

(i) Be measured using reasonable actuarial assumptions, which shall include a health care inflation assumption unless prohibited by the Internal Revenue Code provisions governing welfare benefit funds;

(ii) Be assigned to accounting periods on the basis of the average working lives of active employees covered by the PRB plan or a 15 year period, whichever period is longer. However, if the plan is comprised of inactive participants only, the cost shall be spread over the average future life expectancy of the participants; and

(iii) Exclude Federal income taxes, whether incurred by the fund or the contractor (including any increase in PRB costs associated with such taxes), unless the fund holding the plan assets is tax-exempt under the provisions of 26 U.S.C 501(c).

Terms and Conditions—Simplified Acquisitions (Other Than Commercial Items) (SEP 2015) *(b)(1)(ix)* Minimum Wages Under Executive Order 13658 (DEC 2014) [Applies when 52.222–6 or 52.222–41 are in the contract and performance in whole or in part is in the applicable Internal Revenue Code. Allowable PRB costs based on such contributions shall—

(i) Be measured using reasonable actuarial assumptions, which shall include a health care inflation assumption unless prohibited by the Internal Revenue Code provisions governing welfare benefit funds;

(ii) Be assigned to accounting periods on the basis of the average working lives of active employees covered by the PRB plan or a 15 year period, whichever period is longer. However, if the plan is comprised of inactive participants only, the cost shall be spread over the average future life expectancy of the participants; and

(iii) Exclude Federal income taxes, whether incurred by the fund or the contractor (including any increase in PRB costs associated with such taxes), unless the fund holding the plan assets is tax-exempt under the provisions of 26 U.S.C 501(c).
8. Amend section 52.219–1 by revising the date of Alternate I, introductory text and the first sentence of paragraph (c)(9) to read as follows:

52.219–1 Small Business Program Representations.

Alternate I (SEP 2015). As prescribed in 19.309(a)(2), add the following paragraph (c)(9) to the basic provision:

(9) [Complete if offeror represented itself as disadvantaged in paragraph (c)(2) of this provision.]

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