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July 22, 2021

The U.S. Department of Labor Proposes an Increased Minimum Wage for Workers on Government Contracts

On July 21, 2021, the U.S. Department of Labor [announced](#) a " [Notice of Proposed Rulemaking](#) to establish standards and procedures to implement and enforce [Executive Order 14026](#), 'Increasing the Minimum Wage for Federal Contractors', signed by President Biden on April 27, 2021." The proposed rule would:

- "Increase the minimum wage for workers performing work on or in connection with covered federal contracts to \$15 per hour beginning Jan. 30, 2022.
- Continue to index the federal contract minimum wage in future years to an inflation measure.
- Eliminate the tipped minimum wage for federal contract workers by 2024.
- Ensure a \$15 minimum wage for workers with disabilities performing work on or in connection with covered contracts.
- Restore minimum wage protections to outfitters and guides operating on federal lands."

Currently, the minimum wage for federal contractors is \$10.95/hour. Under the proposal, the DOL's Wage and Hour Division would continue to be responsible for enforcing the new minimum wage and employers would be subject to administrative proceedings seeking not only unpaid wages, but also debarment from federal contracting. The DOL will accept comments on the proposed rule until August 23, 2021.

Authors

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