

ALERT

DoL Announcement a Reminder to Keep Parallel Contractor Minimum Wage EOs Distinct

September 17, 2021

Earlier this week, the U.S. Department of Labor (DoL) announced the annual increase in the minimum wage for contractor employees required by Executive Order (EO) 13658. The new rate, \$11.25, will take effect on January 1, 2022. As noted in our recent alert, EO 13658 will continue to apply in parallel to the \$15-per-hour contractor minimum wage initiated by this year's EO 14026. Implementation of EO 14026 will presumably continue for the remainder of this year and into early 2022.

As a quick primer: EO 13658 is in effect currently and will still have annual rate updates effective January 1 for the foreseeable future. EO 14026 will start applying to new contracts effective January 30, 2022, and then follow a similar cycle of annual rate updates on January 1. One might expect EO 13658 to be phased out at some point, though how quickly that is done depends on the many competing priorities within the administration. Thus, while reviewing contract terms, news stories, and similar information, contractors should continue to keep in mind that there are two minimum-wage EOs that have similar terms and obligations but that, for determining contract coverage and obligations to covered employees, need to be kept distinct.

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