

TRINITY HR CONSULTING, INC



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EXECUTIVE ORDER RAISES HOURLY WAGE MINIMUM FOR FEDERAL CONTRACTORS

On April 27th, 2021, President Biden issued an Executive Order requiring federal contractors to pay a \$15 minimum wage to its employees.

This Executive Order will:

- 1) Increase the hourly minimum wage for federal contractors to \$15 from the current minimum of \$10.95 per hour.
 - Effective January 30, 2022 all agencies will need to incorporate a \$15 minimum wage in new contract solicitations, and by March 30, 2022, all agencies will need to implement the minimum wage into new contracts.
 - Agencies must also implement the higher wage into existing contracts when the parties exercise their option to extend such contracts, which often occurs annually.
- 2) Continue to index the minimum wage to an inflation measure so that every year after 2022 it will be automatically adjusted to reflect changes in the cost of living.
- 3) Ensure a \$15 minimum wage for federal contract workers with disabilities.
 - To ensure equity, this executive order extends the required \$15 minimum wage to federal contract workers with disabilities.

4) Eliminate the tipped minimum wage for federal contractors by 2024..

The U.S. Department of Labor's Wage and Hour Division and the Federal Acquisition and Regulatory Council will engage in rulemaking to implement and enforce this Executive Order.