

Client Alert

March 27, 2014

New Affirmative Action Rules Require Immediate Action by Government Contractors and Subcontractors

By Tina D. Reynolds

In October 2013, we alerted government contractors and subcontractors to newly-issued regulations establishing additional affirmative action reporting and hiring preference requirements for veterans and persons with disabilities. The new rules officially went into effect this past Monday, March 24, 2014.

Although portions of the rules only become applicable upon companies' annual affirmative action plan year start date, human resources departments and contracting shops should begin implementing the new rules lest they run afoul of the Department of Labor's Office of Federal Contract Compliance Programs (OFCCP).

As described more fully in our prior alert, the new regulations set non-binding hiring goals for veterans and persons with disabilities, and also specify the types of record-keeping and information gathering that must take place to document efforts to meet these goals. Affirmative action policies and references to EEO hiring policies (such as those that appear on job vacancy announcements) must now affirmatively state support for the hiring of veterans and persons with disabilities.

In addition, government contractors are required to flow down these new affirmative action requirements to subcontractors that meet applicable thresholds -- \$10,000 for the rule applicable to the disabled, and \$100,000 for the policy applicable to veterans. The OFCCP has recently advised in a series of FAQs appearing on the OFCCP website that, where flow-down is required, subcontracts and purchase orders must include a specific reference, set apart in bold text, highlighting the veteran and disability-related hiring requirements.

Additional recommendations for implementation and contractor compliance can be found in the attached [client alert](#).

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