



January 2015

## Minimum Wage Increases for Federal Government Contractors

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Executive Order 13658 increases the minimum wage to \$10.10 per hour, effective January 1, 2015, for certain workers providing services under new contracts with the federal government. The [Final Rule](#), the [Fact Sheet](#), and the [FAQs](#) are located on the Department of Labor website.

Contracts covered by the Executive Order include new contracts (1) for construction covered by the Davis-Bacon Act, (2) for services covered by the Service Contract Act, (3) for concessions, and (4) for providing certain services in federal buildings for federal employees or the general public.

The implementing regulations define a "new contract" as a contract that results from solicitations issued on or after January 1, 2015, or a contract that is awarded outside the solicitation process on or after January 1, 2015. Both new and replacement contracts are subject to the Executive Order. Contracts, however, resulting from a unilateral exercise of a prenegotiated option to renew an existing contract are not covered by the Executive Order.

Workers performing on or in connection with covered federal contracts whose wages are governed by the Fair Labor Standards Act, the Davis-Bacon Act, or the Service Contract Act are entitled to the \$10.10 minimum wage; however, workers employed in bona fide executive, administrative, and professional capacities, as well as learners or apprentices, are not entitled to the \$10.10 minimum wage.

The Executive Order requires contractors and subcontractors to include specified contract language in any covered lower-tiered subcontracts and to notify all workers performing on or in connection with covered contracts of the minimum wage rate under the Executive Order. The Executive Order also sets forth certain pay frequency and record keeping requirements for contractors.

### WHAT DOES THIS MEAN TO YOU?

Federal contractors who enter into new or replacement contracts in 2015 should be familiar with the requirements of Executive Order 13658 and its requirement to pay the \$10.10 minimum wage to workers where applicable.

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If you would like to discuss the Executive Order or any of its provisions with our lawyers, please contact one of the following:

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