

Executive Order 13658 Talking Points

- On February 12, 2014, President Obama signed Executive Order 13658, “Establishing a Minimum Wage for Contractors,” to raise the minimum wage to \$10.10 for all workers on Federal construction and service contracts. The Department published a Notice of Proposed Rulemaking (NPRM) in the Federal Register on June 17, 2014 and a Final Rule became effective on December 8, 2014.
- The Executive Order minimum wage requirement applies to all new contracts and replacements for expiring contracts that result from solicitations issued on or after January 1, 2015 or to contracts that are awarded outside the solicitation process on or after January 1, 2015 that are:
 - construction contracts covered by the Davis-Bacon Act;
 - contracts for services covered by the Service Contract Act;
 - concessions contracts, such as contracts to furnish food, lodging, automobile fuel, souvenirs, newspaper stands, and/or recreational equipment on Federal property; and
 - contracts to provide services, such as child care or dry cleaning, in Federal buildings for Federal employees or the general public.
- Workers with disabilities whose wages are calculated pursuant to certificates issued under section 14(c) of the FLSA qualify as workers covered by the Executive Order and are generally due at least the full Executive Order minimum wage for all time spent performing work on or in connection with a covered contract.
 - Example: The SCA prevailing wage rate for a janitor employed on a contract covered by the SCA and E.O. is \$14.00. If a worker with a disability is determined to complete the job at 50% productivity through the process defined by Section 14(c), the commensurate wage rate would be \$7.00. The E.O., however, would raise the rate due to that worker to the current E.O. minimum wage rate (\$10.10 in 2015).
- 14(c) certificate holders may continue to pay commensurate wages to workers with disabilities, but only if the commensurate wage rate is higher than the Executive Order minimum wage. The Executive Order minimum wage is a floor, not a ceiling.
 - The SCA prevailing wage rate for a window washer employed on that same contract is \$20.00/hr. If the worker with a disability is determined to complete the job at 60% productivity, the commensurate wage rate would be \$12.00/hr. Because this commensurate wage rate is higher than the applicable E.O. minimum wage rate (\$10.10 in 2015), the employee would be due the higher amount of \$12.00 per hour.