



September 18, 2015

### **Federal Contractors Must Increase Minimum Wage to \$10.15 on January 1, 2016**

By: [Thomas P. Brady](#)

The Department of Labor Wage and Hour Division posted a Notice "Establishing a Minimum Wage for Contractors, Notice of Rate Change in Effect as of January 1, 2016." Beginning on January 1, 2016, federal contractors and subcontractors must pay their employees, who perform work on federal contracts or subcontracts, a minimum wage of \$10.15 an hour. The current minimum wage for federal contractors is \$10.10 an hour. Federal contractors and subcontractors must pay tipped employees \$5.85 an hour beginning January 1, 2016. The current minimum wage for tipped employees working on federal contracts is \$4.90.

According to the regulations, contractors are required to notify all workers performing on or in connection with a covered contract of the applicable minimum wage rate under the Executive Order. Employers covered by the Fair Labor Standards Act (FLSA) who are performing on or in connection with a covered contract may satisfy the notice requirement by displaying the FLSA poster. The poster will be available at <http://src.bna.com/h8>. The increase applies to all federal contractors and subcontractors who are working on federal contracts that exceed \$10,000 in value and are entered into or solicited on or after January 1, 2016.

If you have any questions about the regulation or federal government contractors' affirmative action duties, please contact Thomas P. Brady at (313) 965-8291 | [tbrady@clarkhill.com](mailto:tbrady@clarkhill.com), or another member of Clark Hill's Labor and Employment Practice Group.