

Biden Administration Proposes Raising Minimum Wage for Federal Employees and Contractors

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As part of a “third wave” of executive orders, on January 22, 2021, President Biden issued [an executive order](#) instructing the Director of the U.S. Office of Personnel Management to “provide a report to the President with recommendations to promote a \$15/hour minimum wage for Federal employees.” The Biden Administration announced via a Fact Sheet published on the White House’s website that the move is purportedly designed to ensure that the federal government is a model employer:

[Federal employees] keep us healthy, safe, and informed, and their work transcends partisan politics. They are health care workers who care for veterans, the elderly, and the disabled. They are expert scientists, medical doctors, and technicians who maintain world-class standards, prevent and combat the spread of infectious diseases, and save countless lives. They deliver our mail, run our national parks, keep our federal buildings up and running, help protect us against climate change and environmental poisoning, and ensure that the law is applied faithfully and fairly. They are talented, hard-working, and inspiring Americans, worthy of the utmost dignity and respect.

(Click [here](#) to read the Fact Sheet.)

The Fact Sheet also announced that President Biden directed his administration “to start the work that would allow him to issue an Executive Order within the first 100 days that require federal contractors to pay a \$15 minimum wage and provide emergency paid leave to workers.” As the federal government is the nation’s [largest employer](#), these proposed executive orders, if enacted, could affect a large swath of workers.

In addition, as many commentators have suggested, these orders may be a stepping stone to raise the minimum wage for private-sector employees as well, which is currently set at \$7.25 per hour. Indeed, in Biden’s proposed \$1.9 trillion stimulus plan, dubbed the [American Rescue Plan](#), is a proposal to increase the minimum wage to \$15 per hour across the board, as well as give employees entitlements to sick leave and other benefits. This would have huge implications for American employers, and require them to audit their existing pay practices to ensure compliance.

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