

Federal Contractor Minimum Wage Executive Order Revoked

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On March 14, 2025, President Donald Trump issued an executive order rescinding several policies from the previous administration, including Executive Order 14026, which had increased the minimum wage for federal contractors.

Background on Executive Order 14026

Signed on April 27, 2021, by then-President Joe Biden, Executive Order 14026 mandated that federal contractors pay a minimum wage of \$15 per hour. This policy aimed to improve the livelihoods of workers on federal contracts and was set to adjust annually with inflation. By January 1, 2025, the minimum wage under this order had risen to \$17.75 per hour.

Implications of the Rescission

The revocation of Executive Order 14026 means that federal contractors are no longer required to adhere to the previously mandated minimum wage rates. Instead, they will revert to using wage determinations provided under existing laws such as the Service Contract Act and the Davis-Bacon Act. This change could lead to variations in wages across different federal contracts, depending on the specific stipulations of each agreement.

Conclusion

The rescission of Executive Order 14026 marks a significant shift in federal labor policy, reflecting the current administration's priorities. As this policy change unfolds, its full impact on the federal contracting landscape and the workforce involved remains to be seen.

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