

***Today's webinar will
begin shortly. We are
waiting for attendees
to log on.***

Presented by:

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FISHER & PHILLIPS LLP

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Solutions at Work®



20-Minute Webinar Series: *Minimum Wage*

November 10, 2014

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Executive Order 13658

- Signed by President Obama – 2/12/14
- Rationale—increasing wages can save costs by:
 - Lowering turnover
 - Raising morale
 - Raising quality
 - Reducing supervisory costs
- Resulting in higher overall productivity

Amount of Wages – 1/1/15

- \$10.10/hr.
- Increased for inflation each January - CPI
- \$4.90/hr. - tipped employees
- Increased \$0.95 per year until 70% of M.W.
- Must have sufficient reported tips to make up difference
- OT based on \$10.10/hr.

When Does It Take Effect?

- New contracts
 - Solicitation - 1/1/15
 - If no solicitation, entered – 1/1/15
- Renewed contracts
 - Bilateral negotiation – 1/1/15
- Extended contracts
 - Bilateral negotiation – 1/1/15
- Expanded scope of contract – 1/1/15

What Is a Contract?

- Contract or contract-like instrument
 - Lease agreements
 - Cooperative agreements
 - Licenses
 - Permits
 - Job orders
 - Purchase orders
 - Task letters

Which Contracts Are Affected?

- Service contracts subject to SCA
 - \$2,500 or more
- Construction contracts subject to DBA
 - \$2,000 or more

Which Contracts Are Affected?

- Concessions contracts
 - Right to use federal land or facilities for providing services
 - Food, lodging, fuel, souvenirs, recreational equipment
- Contract in connection with federal lands
 - Related to offering services for federal employees, dependents or general public

Which Contracts Are Not Subject?

- Supply contracts subject to Walsh-Healy
 - Materials, supplies, articles or equipment
- Grants
- Contracts and agreements with, and grants to, Indian Tribes
 - Indian Self-Determination and Education Assistance Act
- Service contracts exempted from coverage under SCA (e.g., utility services)

Which Employees Are Exempt?

- Employees exempt from FLSA M.W.
 - Executive, Administrative, Professional
 - Learners, apprentices or messengers paid under special certificates
 - Students paid under special certificates

But

- Does include disabled workers paid under special certificates

Which Employees Are Covered?

- Directly working on the covered contract
 - Only time working on contract
 - Need records to support
- Work “in connection with” the contract
 - Necessary to the performance of contract
 - Spend at least 20% of week in connection
 - Only time working on contract
 - Need records to support

Enforcement Mechanisms

- Wage and Hour Division investigates
- Contracting Agency can withhold contract payments
- Contractor is responsible for subs
- Possible debarment

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Questions?

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