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HR BRIEF

Provided by Towne Benefits

DOL Announces Rule to Increase Federal Contractor Minimum Wage

The U.S. Department of Labor (DOL) recently [announced a new rule](#) that will increase the minimum wage rate for federal contractor employees. The new rule implements [Executive Order 14026](#) and increases the minimum wage for individuals performing work on or in connection with federal contracts to \$15 per hour on Jan. 30, 2022. The rule also allows the DOL to adjust this minimum wage rate beginning Jan. 1, 2023, and creates standards and procedures to implement and enforce minimum wage protections created by the executive order.

Complying With Two Executive Orders

Currently, two executive orders regulate minimum wage rate increases for federal contractor employees: Order 13658 and Order 14026. The DOL has published a [comparison](#) chart of these two orders.

- Order 13658 increases the minimum wage rate to

\$11.25 per hour on Jan. 1, 2022 (\$7.90 for tipped employees). Order 13658 applies to contracts awarded on or between Jan. 1, 2015, and Jan. 29, 2022, that are neither renewed nor extended on or after Jan. 30, 2022.

- Order 14026 increases the minimum wage rate to \$15 per hour on Jan. 30, 2022 (\$10.50 for tipped employees). This order applies to contracts entered into on or after Jan. 30, 2022, and contracts renewed or extended on or after Jan. 30, 2022.

Impact on Employers

The timing for entering into, renewing or extending work under a federal contract determines which minimum wage rate will apply to federal contractor employees working on or in connection with that federal contract. As a result, federal contractors will need to determine and become familiar with the set of rules that apply based on their federal contract date. Contact Towne Benefits today for more information on this update.

5 HR Trends to Monitor in 2022

Many human resources (HR) functions were quickly reimagined in 2021 due to the COVID-19 pandemic, and HR professionals should continue to expect new challenges in 2022. Here are five HR trends to monitor this upcoming year:

1. Hybrid Workplace Sustainability

Most workplace leaders expect that at least some of their employees will work remotely after the pandemic. As such, many employers will factor in hybrid work when creating or updating workplace policies and processes.

2. Attraction and Retention Amid Labor Shortages

The current labor shortage has been an obstacle for most employers and is likely to continue into the new year. Generally, employees are seeking opportunities that offer better compensation, benefits and flexible work arrangements.

3. Investments in HR Technology

In 2022, many employers will integrate technology into more HR processes or build upon their

existing practices. Technologies are being used to create efficiencies and improve processes, such as recruitment, onboarding, and learning and development.

4. Growing Demand for New Skillsets

Desired skillsets vary by organization and industry, but many employers are pursuing high-level digital and communications skills for potential and current employees.

5. Employee Health and Well-being

Employee health and well-being will remain a top concern and priority for both employers and employees. Caregiving, mental health and adjusting to remote work will likely remain top challenges.

Employer Takeaway

As the pandemic evolves, employers will need to innovate and stay on top of trends to meet the needs of employees. Reach out to us today for resources on these topics and other workplace trends.