



DEPARTMENT OF LABOR

Wage and Hour Division

Minimum Wage for Federal Contracts Covered by Executive Order 13658, Notice of Rate Change in Effect for 2027

AGENCY: Wage and Hour Division, Department of Labor.

ACTION: Notice.

SUMMARY: The Wage and Hour Division (WHD or Division) of the U.S. Department of Labor (the Department) is announcing the applicable minimum wage rate for workers performing work on or in connection with federal contracts covered by Executive Order 13658, Establishing a Minimum Wage for Contractors (the Executive Order or the order), beginning [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. The rates announced in this notice apply to certain types of federal contracts entered into between January 1, 2015, and January 29, 2022, that were not renewed or extended (pursuant to an exercised option or otherwise) on or after January 30, 2022. Beginning on [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], the Executive Order 13658 minimum wage rate that generally must be paid to workers performing work on or in connection with contracts covered by Executive Order 13658 will increase to \$14.05 per hour, while the required minimum cash wage that generally must be paid to tipped employees performing work on or in connection with covered contracts will increase to \$9.85 per hour.

DATES: These new Executive Order 13658 rates shall take effect on [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Daniel Navarrete, Director, Division of Regulations, Legislation, and Interpretation, Wage and Hour Division, U.S. Department of Labor, Room S-3502, 200 Constitution Avenue, NW, Washington, DC 20210; telephone: (202)

693-0406 (this is not a toll-free number). Alternative formats are available upon request by calling 1-866-487-9243. If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

SUPPLEMENTARY INFORMATION:

I. Executive Order 13658 Background

On February 12, 2014, President Obama signed Executive Order 13658, establishing an hourly minimum wage for workers performing work on or in connection with covered federal contracts of \$10.10 per hour, beginning January 1, 2015, with annual adjustments thereafter in an amount determined by the Secretary pursuant to the order. *See* 79 FR 9851. The Executive Order directed the Secretary to issue regulations to implement the order's requirements, and the Secretary delegated authority to promulgate these regulations to the Administrator of the WHD. *See* 79 FR 9852; *see also* Secretary's Order 05-2010 (Sept. 2, 2010), 75 FR 55352 (published Sept. 10, 2010).¹ Accordingly, after engaging in notice-and-comment rulemaking, the Department published a final rule on October 7, 2014, to implement the Executive Order. *See* 79 FR 60634. The final regulations, set forth at 29 CFR part 10, established standards and procedures for implementing and enforcing the minimum wage protections of the order.

On May 25, 2018, President Trump signed Executive Order 13838, "Exemption from Executive Order 13658 for Recreational Services on Federal Lands." 83 FR 25341. Executive Order 13838 amended Executive Order 13658 so as not to "apply to contracts or contract-like instruments entered into with the Federal Government in connection with seasonal recreational services or seasonal recreational equipment rental for the general public on Federal lands," including "river running, hunting, fishing, horseback riding, camping, mountaineering activities, recreational ski services, and youth camps," with the proviso that the exemption did "not apply

¹ Secretary's Order 05-2010 has been superseded by Secretary's Order 01-2014 (Dec. 19, 2014), 79 FR 77527 (published Dec. 24, 2014). Secretary's Order 01-2014 delegates authority and assigns responsibility, including enforcement authority, to the WHD Administrator on matters pertaining to Executive Order 13658.

to lodging and food services associated with seasonal recreational services.” *Id.* The Executive Order directed the Secretary to issue regulations to implement the exception. *Id.* Accordingly, the Department implemented Executive Order 13838 through a final rule. 83 FR 48537.

On April 27, 2021, President Biden signed Executive Order 14026, “Increasing the Minimum Wage for Federal Contractors.” 86 FR 22835. Executive Order 14026 established a higher hourly minimum wage of \$15.00 per hour, beginning on January 30, 2022, for the same types of contracts with the Federal Government that are covered by Executive Order 13658, and provided for annual inflation-based adjustments thereafter. Executive Order 14026 superseded Executive Order 13658 “to the extent it is inconsistent with [EO 14026]” and applied to contracts with the Federal Government entered on or after January 30, 2022, or that were renewed or extended (pursuant to an exercised option or otherwise) on or after January 30, 2022. 86 FR 22837. Executive Order 14026 also revoked Executive Order 13838 as of January 30, 2022. On March 14, 2025, President Trump revoked Executive Order 14026 in section 2(d) of Executive Order 14236, “Additional Rescissions of Harmful Executive Orders and Actions.” 90 FR 13037.

As a result, at this time Executive Order 13658 remains in effect and generally applies to contracts subject to the Davis-Bacon Act (DBA), 40 U.S.C. 3141 *et seq.*, and the Service Contract Act (SCA), 41 U.S.C. 6701 *et seq.*, awarded between January 1, 2015, and January 29, 2022, and not renewed or extended on or after January 30, 2022. This notice updates the wage rate applicable to said contracts pursuant to that order. Although the number of contracts subject to Executive Order 13658 has significantly decreased over the past several years and continues to dwindle, the Department anticipates that there will be some existing contracts with the Federal Government that would not have qualified as a covered “new contract” for purposes of Executive Order 14026 and that remain subject to the minimum wage requirements of Executive Order 13658. Executive Order 13658 and its implementing regulations require the Secretary to determine the applicable minimum wage rate for workers performing work on or in connection with covered contracts on an annual basis, beginning January 1, 2016. *See* 79 FR 9851; 29 CFR

10.1(a)(2), 10.5(a)(2), 10.12(a). Accordingly, the Department is announcing the 2027 annual update to Executive Order 13658's minimum wage rates.

II. Requirements for Determining Annual Increases to the Minimum Wage Rate

Sections 2(a) and (b) of Executive Order 13658 establish the methodology that the Secretary must use to determine the annual inflation-based increases to the minimum wage rate. *See* 79 FR 9851. These provisions, which are implemented in 29 CFR 10.5(b)(2), explain that the applicable minimum wage determined by the Secretary for each calendar year shall be:

- Not less than the amount in effect on the date of such determination;
- Increased from such amount by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) (United States city average, all items, not seasonally adjusted), or its successor publication, as determined by the Bureau of Labor Statistics (BLS); and
- Rounded to the nearest multiple of \$0.05.

Once a determination has been made with respect to the new minimum wage rate, Executive Order 13658 and its implementing regulations require the Secretary to notify the public of the applicable minimum wage rate on an annual basis at least 90 days before any new minimum wage takes effect. *See* 79 FR 9851; 29 CFR 10.5(a)(2), 10.12(c)(1). The regulations explain that the Administrator of the Wage and Hour Division (the Administrator) will publish an annual notice in the *Federal Register* stating the applicable minimum wage rate at least 90 days before any new minimum wage takes effect. *See* 29 CFR 10.12(c)(2)(i). Additionally, the regulations state that the Administrator will provide notice of the Executive Order 13658 minimum wage rate on Wage Determinations OnLine (WDOL), <http://www.wdol.gov>, or any successor site;² on all wage determinations issued under the DBA and the SCA; and by other means the Administrator deems appropriate. *See* 29 CFR 10.12(c)(2)(ii)–(iv).

² WDOL.gov has since moved to <https://sam.gov/content/wage-determinations>. This website is the authoritative and single website for obtaining appropriate Service Contract Act and Davis-Bacon Act wage determinations for each official contract action.

Section 3 of Executive Order 13658 requires contractors to pay tipped employees covered by the order performing on or in connection with covered contracts an hourly cash wage of at least \$4.90, beginning on January 1, 2015, provided the employees receive sufficient tips to equal the Executive Order 13658 minimum wage rate under section 2 of the order when combined with the cash wage. *See* 79 FR 9851–52; 29 CFR 10.28(a). The order further provides that, in each succeeding year, beginning January 1, 2016, the required cash wage must increase by \$0.95 (or a lesser amount if necessary) until it reaches 70 percent of the Executive Order 13658 minimum wage. *Id.* For subsequent years, the cash wage for tipped employees will be 70 percent of the Executive Order 13658 minimum wage rounded to the nearest \$0.05. *Id.* When a contractor is using a tip credit to meet a portion of its wage obligations under the Executive Order, the amount of tips received by the employee must equal at least the difference between the cash wage paid and the Executive Order 13658 minimum wage. If the employee does not receive sufficient tips, the contractor must increase the cash wage paid so that the cash wage in combination with the tips received equals the Executive Order 13658 minimum wage. *Id.*

The Executive Order 13658 minimum wage and the cash wage required for tipped employees are currently \$13.65 and \$9.55 per hour, respectively. The Department announced these rates on February 9, 2026, 91 FR 5783, and the rates took effect on May 11, 2026.

III. The 2027 Executive Order 13658 Minimum Wage Rate

Using the methodology set forth in Executive Order 13658 and summarized above, the Department must first determine the annual percentage increase in the CPI-W (United States city average, all items, not seasonally adjusted), as published by BLS, to determine the new Executive Order 13658 minimum wage rate. In calculating the annual percentage increase in the CPI-W, the Department must compare the CPI-W for the most recent year available with the CPI-W for the preceding year. The Department therefore compared the percentage change in the CPI-W between the most recent year and the prior year. The Department then increased the

current Executive Order 13658 minimum wage rate by the resulting annual percentage change and rounded to the nearest multiple of \$0.05.

Consistent with past practice, the Department determined the 2027 Executive Order 13658 minimum wage rate by averaging the available CPI-W data for the first two quarters of 2026 and the last two quarters of 2025 (*i.e.*, July 2025 through June 2026).³ This produced an average index level of 320.866. The Department then compared that data to the average CPI-W for the preceding year—311.293—which consists of the first two quarters of 2025 and the last two quarters of 2024 (*i.e.*, July 2024 through June 2025). Based on this methodology, the Department determined that the annual percentage increase in the CPI-W was 3.075 percent $((320.866 \div 311.293) - 1)$. The Department then applied that annual percentage increase of 3.075 percent to the current Executive Order hourly minimum wage rate of \$13.65, which resulted in a wage rate of \$14.070 $((\$13.65 \times 0.03075) + \$13.65)$. Pursuant to the Executive Order, that rate must be rounded to the nearest multiple of \$0.05.

As a result, the new Executive Order 13658 minimum wage rate that must generally be paid to workers performing on or in connection with covered contracts beginning [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], is \$14.05 per hour.

IV. The 2027 Executive Order 13658 Minimum Cash Wage For Tipped Employees

As noted above, section 3 of Executive Order 13658 provides a methodology to determine the amount of the minimum hourly cash wage that must be paid to tipped employees performing on or in connection with covered contracts. Because the cash wage for tipped employees reached 70 percent of the Executive Order 13658 minimum wage beginning on January 1, 2018 (*i.e.*, \$7.25 per hour compared to \$10.35 per hour), future updates to the cash wage for tipped employees must continue to set the rate at 70 percent of the full Executive Order

³ Due to the 2025 lapse in federal appropriations, BLS did not collect CPI data from October 1, 2025, through November 12, 2025. <https://www.bls.gov/cpi/additional-resources/2025-federal-government-shutdown-impact-cpi.htm>

13658 minimum wage. Seventy percent of the new Executive Order 13658 minimum wage rate of \$14.05 is \$9.83 ($\$14.05 \times 0.70$). Because the Executive Order provides that the rate must be rounded to the nearest \$0.05, the new minimum hourly cash wage for tipped workers performing on or in connection with covered contracts beginning [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], is therefore \$9.85 per hour.

V. Appendix

Appendix A to this notice provides a chart of the CPI-W data published by BLS that the Department used to calculate the new Executive Order 13658 minimum wage rate based on the methodology explained herein. A poster reflecting the new Executive Order 13658 minimum wage rate will be publicly available on the WHD website.

Dated: October 2, 2026.

Andrew B. Rogers,

Administrator, Wage and Hour Division.

Appendix A: Data Used to Determine 2027 Executive Order 13658 Minimum Wage Rate Effective [INSERT 90 DAYS AFTER PUBLICATION].

Data Source: Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)

(United States city average, all items, not seasonally adjusted)

	Quarter 3			Quarter 4			Quarter 1			Quarter 2			Annual Average
2024Q3 to 2025Q2	308.501	308.640	309.046	309.358	308.998	309.067	311.172	312.460	313.250	314.243	314.839	315.945	311.293
2025Q3 to 2026Q2	316.349	317.306	318.139	- ^a	317.414	317.014	317.942	319.422	323.500	326.541	328.829	327.075	320.866
Annual Percentage Increase													3.075%

Note:

^a Due to the 2025 lapse in federal appropriations, BLS did not collect CPI data from October 1, 2025, through November 12, 2025. <https://www.bls.gov/cpi/additional-resources/2025-federal-government-shutdown-impact-cpi.htm>.

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