

22.1904 Annual Executive Order Minimum Wage Rate.

(a) For the E.O. minimum wage rate that becomes effective on January 30, 2022, and annually thereafter, the *Administrator* will-

(1) Notify the public of the new E.O. minimum wage rate at least 90 days before it becomes effective by publishing a notice in the Federal Register;

(2) Publish and maintain on *Wage Determinations at SAM.gov*, <https://www.sam.gov>, or any successor site, the E.O. minimum wage rate; and

(3) Include a general notice on wage determinations which are issued under the *Service Contract* Labor Standards statute or the Wage Rate Requirements (*Construction*) statute. The notice will provide information on the E.O. minimum wage and how to obtain annual updates.

(b)

(1) The contractor *may* request a price adjustment only after the effective date of a new annual E.O. minimum wage determination published pursuant to paragraph (a). Prices will be adjusted only for increased labor costs (including subcontractor labor costs) as a result of the annual E.O. minimum wage, and for associated labor costs (including those for subcontractors). Associated labor costs *shall* include increases or decreases that result from changes in social security and unemployment taxes and *workers'* compensation *insurance*, but will not otherwise include any amount for general and administrative costs, overhead, or profit.

(2) The wage rate price adjustment under this clause is the lowest amount calculated by subtracting from the new E.O. wage rate the following: the current E.O. minimum wage rate; the current service or *construction* wage determination rate under the contract (if the wage rate is applicable to that *worker*); or the actual wage currently paid the *worker*. If the amount is zero or below, there will be no increase paid for this *worker*.

(i) Example 1 - New E.O. wage rate is \$16.10.

Previous E.O. wage rate is \$15.70.
The current service or *construction* wage determination rate applicable to this *worker* under the contract is \$15.75.

Analysis: The calculation is
 $\$16.10 - \$15.80 = \$.30$.
The price adjustment for this *worker* is \$.30.

The actual wage currently paid to the *worker* is \$15.80.

(ii) Example 2 - New E.O. wage rate is \$15.50.

Previous E.O. wage rate is \$15.10.

The current service or *construction* wage determination rate applicable to this *worker* under the contract is \$15.75.

Analysis: The calculation is

$\$15.50 - \$15.80 = -\$0.30$.

There is no price adjustment for this *worker*.

The actual wage currently paid to the *worker* is \$15.80.

(3) The *contracting officer shall* not adjust the contract price for any costs other than those identified in paragraph (b)(1) of this section, and *shall* not provide duplicate price adjustments with any price adjustment under clauses implementing the *Service Contract* Labor Standards statute or the Wage Rate Requirements (*Construction*) statute.

Parent topic: [Subpart 22.19 - Increasing the Minimum Wage for Contractors](#)