

Thousands of Federal Workers Will Be Paid a Minimum Wage of \$15 an Hour as Soon as Next Year



Federal workers from cleaners and nursing assistants to food service providers will be paid a minimum wage of \$15 per hour in March.

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President Joe Biden will sign an order on Tuesday to increase the minimum wage to \$15 an hour for hundreds of thousands of federal workers nationwide, the White House said in a statement.

The current minimum wage is \$10.95 per hour, and the tipped minimum wage is \$7.65 per hour.

Federal workers from cleaners and nursing assistants to those providing food services will receive the new wages by March 2022, with future increases tied to inflation. Those with disabilities will also be paid a minimum of \$15 per hour.

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Federal agencies will be required to include the wage hike in new contract solicitations by January 30 per the executive order, according to the White House.

The Biden administration aims to reduce turnover, absenteeism and supervisory costs by increasing the minimum wage by around 37%. The president's executive order builds on a previous one issued by former President Barack Obama that required federal contractors to pay employees \$10.10 per hour, and it will eliminate the tipped minimum wage for federal contractors by 2024.

"This executive order will promote economy and efficiency in federal contracting, providing value for taxpayers by enhancing worker productivity and generating higher-quality work by boosting workers' health, morale and effort," the White House's statement read.

The minimum wage spike will not raise costs for taxpayers, a senior administration official told Reuters on Tuesday.

Biden has been pushing for a minimum-wage increase since he took office and tried to incorporate it into the \$1.9 trillion American Rescue Plan, but it didn't receive approval from the Senate parliamentarian. At the time, the Senate parliamentarian said that the president's push didn't follow budgetary rules, according to AP.

The federal workforce contains an estimated 2.1 million workers as of October 2020, the Office of Personnel Management notes.

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