



MAR 20 1990

MEMORANDUM NO. 151

MEMORANDUM FOR ALL CONTRACTING AGENCIES OF THE FEDERAL GOVERNMENT
AND THE DISTRICT OF COLUMBIA

FROM: NANCY M. FLYNN
Acting Administrator

SUBJECT: Increases in the Federal Minimum Wage
Under the Fair Labor Standards
Amendments of 1989

The Federal minimum wage under the Fair Labor Standards Act (FLSA) will increase from \$3.35 to \$3.80 per hour effective April 1, 1990, and to \$4.25 per hour effective April 1, 1991. These changes are the result of the Fair Labor Standards Amendments of 1989, Public Law 101-157 (103 Stat. 938), enacted on November 17, 1989.

Certain prevailing wage determinations issued pursuant to the Davis-Bacon and Related Acts (DBRA) for inclusion in federally-funded or assisted construction contracts, and those issued pursuant to the McNamara-O'Hara Service Contract Act (SCA) for inclusion in Federal service contracts, will be affected by these statutory increases in the FLSA minimum wage.

For example, sections 2(a)(1) and 2(b)(1) of SCA specify that the minimum wages to be paid to employees of contractors furnishing services to the Government shall not be lower than the minimum wage prescribed by section 6(a)(1) of the FLSA. These statutory provisions apply to Federal service contractors and subcontractors by operation of law, without regard to whether the minimum wage provisions are specified in wage determinations included in the contract documents. (See 29 CFR 4.159 - .160.)

The Wage and Hour Division will be updating the SCA and DBRA wage determinations requiring increases as a result of the 1989 FLSA Amendments. However, contracting agencies should also review the SCA and DBRA wage determinations included in their contracts and pending and upcoming solicitations to ensure that contractors and potential bidders will be apprised of the increases in the FLSA minimum wage taking effect on April 1, 1990, and April 1, 1991.

Additional information may be obtained from the nearest local office of the Wage and Hour Division, listed in most telephone directories under U.S. Government, Department of Labor, or by contacting the Wage and Hour Division's Office of Program Operations, Division of Wage Determinations, Room S-3014, 200 Constitution Avenue, N.W., Washington, D.C. 20210, telephone (202) 523-7531.