



U.S. AbilityOne Commission Ends Payment of Subminimum Wages on AbilityOne Contracts

WASHINGTON, D.C., July 21, 2022 – The U.S. AbilityOne Commission today issued a final rule that prohibits payment of subminimum wages on contracts within the AbilityOne Program.

“Ending payment of subminimum wages is a major step forward for the AbilityOne Program,” said Jeffrey Koses, Commission Chairperson. “While payment of subminimum wages has been declining in the Program for years, it is past time to ensure that all employees are fairly compensated for their work. The rule reflects the Commission’s unwavering commitment to modernizing the AbilityOne Program.”

Chai Feldblum, Commission Vice Chairperson, said, “Mandating that employees on AbilityOne contracts may no longer receive subminimum wages is a significant step. Wages send a message of how work is valued, and the work performed by people with disabilities should be valued equally with others.”

Published in the [Federal Register](#) on July 21, 2022, the rule adds a new qualification requirement for nonprofit agencies seeking both initial and continuing qualification to participate in the AbilityOne Program. Specifically, the rule requires these nonprofit agencies to certify that, when paying employees on AbilityOne contracts, they will not use certificates authorized under section 14(c) of the Fair Labor Standards Act (FLSA) of 1938.

Under the rule, individuals who are blind or have significant disabilities and who work on AbilityOne contracts will earn at least the Federal minimum wage, the applicable local or state minimum wage, or the applicable prevailing wage – whichever is highest.

The rule has an effective date of October 19, 2022, which is 90 days from its publication today. It prohibits use of 14(c) certificates to pay employees on AbilityOne new contracts, extensions of contracts, and options. Nonprofit agencies may request an extension of up to 12 months to come into compliance. Requests for extension must be received by September 19, 2022. During the extension period, the nonprofit agency will not be awarded new Procurement List additions, absent exigent circumstances and a written request from the Federal customer.

Publication of the final rule completes a formal rulemaking process that began when the Commission published a Notice of Proposed Rulemaking in the Federal Register on October 12, 2021. The Commission received more than 180 comments in response to the proposed rule and considered them carefully when drafting the final version.



About the U.S. AbilityOne Commission

The AbilityOne Program is administered by the U.S. AbilityOne Commission, the operating name of the Committee for Purchase From People Who Are Blind or Severely Disabled. The Commission is an independent Federal agency composed of 15 Presidential appointees: 11 represent Federal agencies, and four serve as private citizens who are knowledgeable about employment barriers facing people who are blind or have significant disabilities.

About the AbilityOne Program

The AbilityOne Program facilitates the use of government procurement to provide employment in the United States for people who are blind or have significant disabilities. Approximately 40,000 individuals, including more than 2,500 veterans, are employed nationwide at approximately 450 nonprofit agencies from Maine to Guam. AbilityOne provided nearly \$4 billion in products and services to approximately 40 Federal government agencies in FY 2021.

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