

Section 503 of the Rehabilitation Act of 1973, New Regulations

Section 503 prohibits employment discrimination against individuals based on disability by Federal contractors and subcontractors. It also requires Federal contractors and subcontractors to take affirmative action to recruit, hire, train, and promote qualified individuals with disabilities.

On September 24, 2013, the U.S. Department of Labor's (DOL) Office of Federal Contract Compliance Programs (OFCCP) published a Final Rule (see 41 CFR Part 60-741) that strengthens the regulations implementing Section 503 of the Rehabilitation Act of 1973, as amended. The new regulations, which are available on OFCCP's Web site at <http://www.dol.gov/ofccp/503Rule>, became effective on March 24, 2014.

Why New Regulations?

Although Federal contractors' Section 503 responsibilities have been in place since the mid-1970s, the unemployment rate of working age individuals with disabilities and the number of working age individuals with disabilities not in the workforce remains significantly higher than the general population. This disparity has changed very little despite years of medical, rehabilitation and technological advances that make it possible for individuals with disabilities to successfully perform the essential functions of a wide variety of jobs. DOL views the new Section 503 regulations as an important tool for reducing barriers to equal employment opportunity for individuals with disabilities, and for addressing the disparities in income inequality and poverty.

Who Must Comply with the New Regulatory Requirements?

The new Section 503 regulations include general affirmative action requirements that apply to all Federal contractors and subcontractors with \$10,000 or more in awards. They also include specific affirmative action provisions and enhanced expectations that apply to Federal contractors and subcontractors with \$50,000 or more in awards and 50 or more employees.

What are the Key Provisions in the New Regulations for Section 503?

The new regulations:

1. Make a number of changes required by the American with Disabilities Act Amendments Act (ADAAA) of 2008, including amending the definition of disability in Section 503.
2. Establish a 7% utilization goal for individuals with disabilities. This aspirational goal is not intended to be used as a quota or a ceiling that limits or restricts the employment of individuals with disabilities. Rather, the goal is intended to function as a management tool that informs decision-making and provides accountability. Failure to meet this goal will not lead to a fine, penalty or sanction. The utilization goal is to be applied to the entire workforce for larger contractors, across all job categories.
3. Require contractors to invite applicants to voluntarily self-identify as individuals with disabilities at both the pre-offer and post-offer stage of the hiring process. The resulting information will assist contractors in assessing the effectiveness of their outreach and

recruitment efforts designed to bring more individuals with disabilities into their workforce.

4. Require contractors to invite incumbent employees to voluntarily self-identify once every five years using the Office of Management and Budget (OMB) approved Voluntary Self-Identification of Disability form. Since the status of employees may change at any time, DOL believes that requiring a regular invitation to self identify will contribute to increased self-identification rates and improved data collection.
5. Require contractors to maintain quantitative measurements and comparisons for the number of individuals with disabilities who apply for jobs and the number of individuals with disabilities hired to create greater accountability for employment decisions and practices. This data will assist contractors in evaluating the effectiveness of their outreach and recruitment efforts, and in examining hiring and selection processes related to individuals with disabilities.
6. Require prime contractors (i.e., the companies/employers contracting directly with a branch or division of the United States government and having full responsibility for completion of the contract) to include specific, mandated language in their subcontracts to inform their subcontractors about the Section 503 requirements as a means of ensuring their compliance with these requirements.

For more information, visit the dedicated Section 503 page on the Your Ticket to Work website (<https://yourtickettowork.com/web/ttw/section-503>) and/or visit the OFCCP website (www.dol.gov/ofccp).

Key Messaging for Ticket Providers Contacting Federal Contractors

- The new regulations require Federal contractors to conduct outreach to individuals with disabilities who are not currently in the workforce.
- Although not required, Federal contractors with \$100,000 or more in awards secured after 2003, are encouraged to post job openings with employment service delivery systems such as Employment Networks (ENs), American Job Centers (AJCs), and State Vocational Rehabilitation (VR) agencies. Since Ticket users may not be connected to the recruiting resources that Federal contractors typically use to recruit applicants with disabilities, ENs, State VR agencies and AJCs may represent an untapped talent pool of applicants with disabilities.
- ENs represent a diverse pool of jobseekers, some with entry level skills, some with extensive work experience and proven workplace skills, some with undergraduate and some with advanced degrees, and some with previous experience working with Federal contractors and subcontractors.
- Many ENs, State VR agencies and AJCs have established interagency agreements that can offer Federal contractors access to a much broader pool of skilled applicants with disabilities.
- ENs are required to provide post-employment support to ensure that employees with disabilities have access to the long-term support sometimes needed to maintain and advance in employment.
- Community-based ENs are often connected to an array of community resources that can assist employees with disabilities in dealing with issues related to transportation,



Tips on Discussing Section 503 with Federal Contractors

housing, child care, and other supports that may be necessary for long-term employment success.

ENs can access expertise on reasonable accommodations and on ways to modify job sites and restructure job duties to make work environments more accessible to employees with disabilities. This expertise may be available in house or through referrals to organizations that house such expertise.