



FACT SHEET
New Regulations On
Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA)

On September 24, 2013, the U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) published a Final Rule that makes changes to the regulations implementing the Vietnam Era Veterans' Readjustment Assistance Act, as amended (VEVRAA) at 41 CFR Part 60-300. You can view the new regulations on the OFCCP Web site at www.dol.gov/ofccp/VEVRAArule.

VEVRAA requires employers doing business with the federal government to take affirmative action to recruit, hire and promote categories of veterans covered by the law, including disabled veterans and recently separated veterans (*i.e.*, still within the three-year period beginning from the date of discharge or release from active duty). Under VEVRAA, it is also illegal for these federal contractors and subcontractors to discriminate against protected veterans when making employment decisions on hiring, firing, pay, benefits, job assignments, promotions, layoffs, training and other employment related activities.

These new regulations are but one tool in OFCCP's arsenal for targeting employment practices and they will have a positive impact on the wages and employment prospects of many veterans. The new regulations also help to level the playing field for veterans who are entitled to a fair shot at applying for, obtaining, and keeping good jobs with federal contractors.

Need for the New Regulations

The framework articulating a contractor's responsibilities with respect to affirmative action had remained unchanged since the VEVRAA implementing rules were first published in 1976, and were inadequate for addressing the alarming rates of veterans' unemployment. Meanwhile, increasing numbers of veterans are returning from duty in Iraq, Afghanistan, and other places around the world, and many face substantial obstacles in finding employment once they leave the military.

As noted in the Preamble to the Final Rule, the annual unemployment rate for post-September 2001 veterans, referred to as "Gulf War-era II veterans," is higher than the rates for all veterans and for nonveterans. Although progress has been made in the employment of veterans, the number of unemployed veterans still remains too high and substantial disparities in unemployment and pay rates continue to persist, especially for some categories of veterans. For example:

- In 2012, according to BLS data on the employment situation of veterans for that year, about 2.6 million of the nation's veterans had served during Gulf War-era II.¹
- In 2012, the unemployment rate for Gulf War-era II veterans was 9.9 percent, compared to nonveterans at 7.9 percent.²
- In 2012, the unemployment rate for male Gulf War-era II veterans age 18 to 24 was 20.0 percent, higher than the rate for nonveterans of the same age group (16.4 percent).³

Since there were different age groups represented in each era, and because earnings generally increased with age, we controlled for age and race in a regression analysis. As a result, we found that:⁴

- Male veterans earn 2.7 percent less than non-veterans.
- Female veterans earn 6.3 percent more than non-veterans.

Controlling for the era of service, rather than just whether or not the person served, we found that:

- Male Gulf War-era II veterans earn 1.4 percent less than non-veterans.
- Male Vietnam era veterans earn 6.9 percent less than non-veterans.

To address such disparities, OFCCP strengthened the regulations implementing VEVRAA by making affirmative action requirements more specific and by requiring contractors to establish benchmarks to measure their progress toward achieving equal opportunity for protected veterans. The new VEVRAA regulations also make it easier for veterans to find and apply for the jobs that federal contractors list with job agencies.

Highlights of the New Regulations

- Provides contractors with a quantifiable means to measure their success in recruiting and employing veterans by requiring, for the first time, that contractors annually adopt a benchmark based on the national percentage of veterans in the workforce (as published in the Benchmark Database on the OFCCP Web site, or their own benchmark based on the best available data.

¹U.S Bureau of Labor Statistics, Economic News Release: Employment Situation of Veterans Summary, Table A: Employment status of the civilian noninstitutional population 18 years and over by veteran status, period of service, and sex, 2011-2012 annual averages, available online at <http://www.bls.gov/news.release/vet.nr0.htm>. The July 2013 monthly BLS data reports 2.7 million veterans served during Gulf War-era II, <http://www.bls.gov/news.release/pdf/empvit.pdf> (last accessed Aug. 26, 2013).

² U.S Bureau of Labor Statistics, Economic News Release: Employment Situation of Veterans Summary, Table A: Employment status of the civilian noninstitutional population 18 years and over by veteran status, period of service, and sex, 2011-2012 annual averages, available online at <http://www.bls.gov/news.release/vet.nr0.htm>. In July 2013, the unemployment rate for Gulf War-era II veterans age 18 to 24 was 7.7 percent, higher than the rate for nonveterans of the same age group (7.3 percent), <http://www.bls.gov/news.release/pdf/empvit.pdf>.

³ U.S Bureau of Labor Statistics, Economic News Release: Employment Situation of Veterans Summary, Table A: Employment status of the civilian noninstitutional population 18 years and over by veteran status, period of service, and sex, 2011-2012 annual averages, available online at <http://www.bls.gov/news.release/vet.nr0.htm>. In July 2013, the unemployment rate for male Gulf War-era II veterans age 18 to 24 was 17.4 percent, higher than the rate for nonveterans of the same age group (14.1 percent), <http://www.bls.gov/news.release/pdf/empvit.pdf>.

⁴ Based on regression analysis, and controlling for age and race.

- Creates greater accountability for employment decisions and practices by requiring that contractors maintain several quantitative measurements and comparisons for the number of veterans who apply for jobs and the number of veterans they hire. Having this data will assist contractors and OFCCP in measuring the effectiveness of contractors' outreach and recruitment efforts.
- Provides knowledge and support to veterans seeking jobs by improving the effectiveness of the VEVRAA requirement that contractors list their job openings with the appropriate state employment service agency. Contractor job listings must be provided in a format that the state agency can access and use to make the job listings available to job seekers.
- Provides knowledge and increasing compliance by subcontractors with their obligations by requiring prime contractors to include specific, mandated language in their subcontracts alerting subcontractors to their responsibilities as federal contractors.
- Creates flexibility for contractors when they are establishing formal relationships with organizations that provide recruiting or training services to veterans. The relationships or "linkage agreements" can be established to meet the contractors' specific needs, while assuring outreach to veterans seeking employment.
- Clarifies the contractor's mandatory job listing requirements and the relationship between the contractor, its agents, and the state employment services that provide priority referral of protected veterans.
- Repeals outdated and obsolete regulations at 41 CFR Part 60-250 that applied to contracts entered into before December 1, 2003, and not since modified. OFCCP believes that all such contracts have either expired or been modified, and that there is, therefore, no longer a need for the Part 60-250 regulations.

For more information, please go to www.dol.gov/ofccp.