



# National Network

Information, Guidance and Training on the  
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## Section 503 of the Rehabilitation Act New Rules Fact Sheet

On March 24, 2014, new rules for Section 503 of the Rehabilitation Act (RA) took effect, covering employers who are federal contractors or subcontractors. These new rules strengthen the enforcement of the ADA and put into place new employer requirements around recruiting, hiring and accommodating individuals with disabilities.

Section 503 new regulations can be found at

[http://www.dol.gov/ofccp/regs/compliance/section503/503\\_rule\\_ga\\_508c.pdf](http://www.dol.gov/ofccp/regs/compliance/section503/503_rule_ga_508c.pdf). (Please note: New rules for the Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA) were announced in tandem with RA Section 503. For more information on VEVRAA, go to the Fact Sheet at <https://adata.org/VEVRAA>).

### The aim of the Section 503 new rules

Despite nearly 25 years of the Americans with Disabilities Act (ADA), people with disabilities continue to face barriers to equal opportunity in employment. In 2012, the overall employment rate of adults with disabilities was 33.5%, as compared to 76.3% for others. Further, the full-time/full-year employment rate for people with disabilities was 20.9%, as compared with 56.4% for others (1). The revised Section 503 Regulations aim to change these statistics by requiring employers who are federal contractors or subcontractors to set affirmative action goals and to report progress toward meeting these goals.

### Coverage and enforcement

RA Section 503 new rules are enforced by the U.S. Office of Federal Contract Compliance Programs (OFCCP). Employers with U.S. federal government contracts or subcontracts of \$10,000 or more are covered by the new rules. Also, covered employers with at least 50 employees and a federal contract/subcontract of at least \$50,000 must have in place an affirmative action program for hiring individuals with disabilities. However, federal contractors who already had a written affirmative action program in place on March 24, 2014 may have additional time to comply with this requirement.

### A new benchmark

The new rules require federal contractors and subcontractors to aspire to, and track progress toward, employing individuals with disabilities. Though RA Section 503 has been in effect since 1973, there has not been a specific benchmark defining what the percent of individuals with disabilities are to be in the workforce of covered employers. Section 503 new rules now provide this benchmark. Called an aspirational goal, covered employers must now attain, or show progress toward attaining, a workforce that consists of at least seven percent of people with disabilities.

### Overview of Section 503 new rules

#### The seven percent workforce goal



Called a utilization or aspirational goal, this requirement is not a quota, but a way to ensure that federal contractors include disability in their strategies around recruitment and hiring. The seven percent goal will apply to each job group in the workplace or to the entire workforce if there are fewer than 100 employees.

### **Invitation for voluntary self-identification**

At both the job-application stage and after a job offer has been made, the employer should invite applicants to voluntarily self-identify as a person with a disability. Current employees should be invited to self-identify at least once every five years. It is important to note that this invitation to self-identify does not conflict with the ADA. Title I of the ADA (which focuses on employment) has always allowed employers to collect certain disability information from applicants and employees when specific guidelines are followed. Those who choose not to self-identify should not be penalized. All self-identification information must be kept separate from other personnel records and cannot be available or used for any employment decision that could lead to adverse impact (such as hiring or performance review). Prescribed language must be used to invite applicants and employees to self-identify. A form for voluntary self-identification can be found at the OFCCP website at <http://www.dol.gov/ofccp/regs/compliance/section503.htm>. For more information on self-identification and disclosure, go to [http://www.dol.gov/ofccp/regs/compliance/sec503/OLC\\_letter\\_to\\_OFCCP\\_8-8-2013\\_508c.pdf](http://www.dol.gov/ofccp/regs/compliance/sec503/OLC_letter_to_OFCCP_8-8-2013_508c.pdf).

### **Create partnerships to recruit individuals with disabilities**

Create partnerships with disability organizations to assist in finding and recruiting qualified job applicants with disabilities. All outreach, partnerships, and recruitment efforts should be documented and records should be kept for three years. To find a list of potential disability organizations for these partnerships, go to the Employment Resource Referral Directory at <http://www.dol-esa.gov/errd/index.html#search>.

### **Data collection and tracking**

Collect data about the number of applicants and employees who self-identify as having disabilities in order to demonstrate progress toward achieving the seven percent aspirational goal.

- **Applicants.** Document the percent of job applicants who have voluntarily self-identified as having a disability as a percentage of the total applicant pool.
- **Job openings.** Document the total number of job openings.
- **Hiring.** Document the total number of jobs offered to and the total number filled by those who have self-identified as individuals with disabilities.
- **Current workforce.** Document the number of current employees who have self-identified as individuals with disabilities once during the first year of coverage under RA Section 503 and at least once every five years thereafter.

### **Equal opportunity clause**

Certain language is required when prime contractors communicate with subcontractors and when contractors collect voluntary disability self-identification data from applicants and employees. To find out more, go to <http://www.dol.gov/ofccp/regs/compliance/section503.htm> and scroll down to “Technical Assistance.”

### **Participate in OFCCP compliance reviews**

Upon request, employers must be able to inform OFCCP of formats used to collect this data.

### **Apply the American with Disabilities Amendments Act (ADAAA)**

Passed in 2008, the ADAAA has expanded the definition of disability, thereby including more individuals with disabilities under its protections against discrimination in the workplace and other settings. Section 503 calls for



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employers to review their policies and practices to ensure they are aligned with the ADAAA. For more information about the ADAAA, go to [http://www.eeoc.gov/laws/regulations/ada\\_ga\\_final\\_rule.cfm](http://www.eeoc.gov/laws/regulations/ada_ga_final_rule.cfm).

### For more information, go to

U.S. Dept. of Labor. Frequently Asked Questions Section 503 Final Rule.  
[http://www.dol.gov/ofccp/regs/compliance/faqs/503\\_faq.htm](http://www.dol.gov/ofccp/regs/compliance/faqs/503_faq.htm)

U.S. Dept. of Labor. Final Rule Text. [http://www.dol.gov/ofccp/regs/compliance/section503/503\\_rule\\_ga\\_508c.pdf](http://www.dol.gov/ofccp/regs/compliance/section503/503_rule_ga_508c.pdf)

U.S. Dept. of Labor. Final Rule Text: Summary and Pre-amble.  
[http://www.dol.gov/ofccp/regs/compliance/section503/503\\_summary\\_ga\\_508c.pdf](http://www.dol.gov/ofccp/regs/compliance/section503/503_summary_ga_508c.pdf)

EEOC. Letter on Voluntary Self-Identification.  
[http://www.dol.gov/ofccp/regs/compliance/sec503/OLC\\_letter\\_to\\_OFCCP\\_8-8-2013\\_508c.pdf](http://www.dol.gov/ofccp/regs/compliance/sec503/OLC_letter_to_OFCCP_8-8-2013_508c.pdf)

### References

1. Erickson, W., Lee, C., & von Schrader, S. (2014). 2012 Disability Status Report: United States. Ithaca, NY: Cornell University Employment and Disability Institute (EDI).

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