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OFCCP New Rule Eliminates Many Disability-Related Obligations

Government Contractor Compliance & Regulatory Update on **August 20, 2026**

Quick Hit: The U.S. Department of Labor's Office of Federal Contract Compliance Programs ("OFCCP") has issued a final rule significantly revising the regulations implementing Section 503 of the Rehabilitation Act of 1973. Although the rule is scheduled for publication in the *Federal Register* on August 21, 2026, it is a **final rule—not a proposed regulation**. Most changes will become effective 30 days after publication, while the removal of 41 C.F.R. Part 60-30 will become effective 120 days after publication.

Most notably, the final rule eliminates several requirements that have been central to federal contractors' Section 503 compliance programs since 2013. OFCCP is rescinding the requirement that contractors invite applicants and employees to self-identify as individuals with disabilities, eliminating the related Form CC-305 and data-collection requirements, and removing the 7% utilization goal and associated utilization analyses. OFCCP is also removing references to now-revoked Executive Order 11246 and making related technical and procedural changes.

The changes substantially reduce contractors' quantitative compliance obligations under Section 503, but they **do not eliminate Section 503 affirmative action or nondiscrimination obligations**. Covered contractors will continue to be required to take affirmative action to employ and advance qualified individuals with disabilities, maintain applicable affirmative action programs ("AAPs"), conduct and evaluate outreach and recruitment efforts, provide reasonable accommodations, and comply with other remaining Section 503 requirements.

Key Takeaways:

- **Mandatory disability self-identification is eliminated.** OFCCP is eliminating the requirement that contractors invite applicants and employees to self-identify as individuals with disabilities. OFCCP takes the position that employer-initiated disability inquiries required by the existing regulation conflict with the Americans with Disabilities Act ("ADA"), including the ADA's prohibition on pre-offer disability

inquiries and its restrictions on inquiries of current employees.

- **The 7% utilization goal is eliminated.** OFCCP is eliminating the 7% utilization goal for individuals with disabilities and the corresponding annual utilization analyses. OFCCP concluded that the utilization framework is untenable without disability-status data and is also dependent on job groups established under the now-revoked Executive Order 11246.
- **Related quantitative data collection is also eliminated.** The final rule removes the requirement that contractors document and maintain specific computations or comparisons pertaining to applicants and hires with disabilities. Contractors also will not be required to consider quantitative data regarding referrals, applicants, or hires with disabilities when evaluating the effectiveness of their outreach efforts or AAPs.
- **Outreach and AAP obligations remain.** Contractors subject to the AAP requirements must still annually evaluate their disability outreach and recruitment efforts, document the criteria used to evaluate those efforts, and implement alternative efforts if their overall outreach is ineffective. OFCCP explains that contractors may use non-quantitative measures, such as reviewing the accessibility of outreach and hiring materials, to assess effectiveness.
- **Reasonable accommodation obligations are unchanged.** OFCCP emphasizes that the final rule does not alter contractors' reasonable accommodation requirements. Contractors remain obligated to reasonably accommodate the known physical or mental limitations of otherwise qualified individuals with disabilities, absent undue hardship.
- **The basic Section 503 coverage threshold is now $20,000.** The final rule updates the regulations to reflect the inflation-adjusted threshold that became effective October 1, 2025. The general Section 503 requirements therefore apply to covered government contracts and subcontracts exceeding $20,000, while the existing AAP threshold remains applicable to contractors with 50 or more employees and a federal contract or subcontract of $50,000 or more.

More Detail:

Why OFCCP Is Changing Course

The final rule represents a substantial reversal of OFCCP's 2013 approach to Section 503 compliance. The 2013 regulations introduced the 7% utilization goal, required contractors to analyze their utilization of individuals with disabilities, expanded mandatory invitations to self-identify, and created additional disability-related data-collection requirements.

OFCCP now concludes that key aspects of that framework conflict with the ADA. In the agency's view, requiring a contractor to "invite" an applicant to voluntarily disclose disability status is an employer-initiated disability inquiry. OFCCP reasons that the ADA regulates the employer's act of asking—not merely whether an applicant or employee is required to answer—and therefore concludes that characterizing the response as voluntary does not resolve the statutory issue.

The agency similarly concludes that the utilization goal cannot practically be maintained after eliminating mandatory disability inquiries because measuring utilization depends on knowing which applicants and employees have disabilities. OFCCP also notes that the existing utilization analysis relies on job groups established under Executive Order 11246, which was revoked in January 2025.

What Remains of Section 503 Affirmative Action

The final rule does not eliminate contractors' obligation to take affirmative action with respect to individuals with disabilities. OFCCP specifically notes that the regulations' nondiscrimination requirements, recordkeeping provisions, outreach requirements, complaint procedures, and other aspects of the Section 503 program remain in place.

Instead, OFCCP envisions a less data-dependent model of affirmative action. The preamble identifies measures contractors can take without soliciting disability status, including reviewing job descriptions and qualification standards for unnecessary barriers, partnering with disability employment organizations, improving the accessibility of online application and hiring systems, and providing applicants with clear information about requesting reasonable accommodations.

Contractors subject to the AAP requirements also retain their obligation to maintain an audit and reporting system designed to measure the effectiveness of the AAP. But OFCCP clarifies that contractors no longer need disability self-identification data to satisfy that obligation and may instead consider measures such as actions taken in response to accommodation requests or audits of workplace accessibility.

Contractors Face an Important Question About Voluntary Data Collection

One potentially significant issue is whether—and under what circumstances—contractors may continue collecting disability information after the final rule takes effect. OFCCP makes clear that it is no longer *requiring* contractors to make disability-status inquiries. At the same time, the agency states that the final rule does not prohibit a contractor from exercising its own legal and business judgment about making such inquiries where the contractor concludes they are permissible under the ADA and its implementing regulations.

That distinction may warrant careful consideration by contractors that have embedded disability self-identification into broader workforce analytics, recruiting, or diversity and inclusion processes. OFCCP expressly cautions that contractors choosing to continue utilization analyses or disability data collection on their own initiative should ensure that those practices comply with all applicable laws and regulations, including the ADA.

What Federal Contractors Should Do Now

With the effective date approaching, federal contractors should consider reviewing their Section 503 compliance infrastructure, including applicant tracking and HR information systems, onboarding and employee self-identification processes, references to Form CC-305, AAP templates and procedures, utilization analyses, outreach-effectiveness methodologies, and related policies and training.

Contractors should take care, however, not to treat the final rule as eliminating disability affirmative action obligations altogether. The rule removes several of the most visible quantitative requirements of the 2013 regulations, but the underlying statutory obligation to take affirmative action and the regulations' remaining nondiscrimination, outreach, accommodation, AAP, audit, and enforcement provisions continue to apply.

The final rule is scheduled for publication on **August 21, 2026**. Most amendments will take effect **30 days after publication**, with the removal of Part 60-30 taking effect **120 days after publication**.

Related Professionals

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