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DOL Finalizes Rescission of EO 11246 Affirmative Action Rules, Narrows Section 503, Updates VEVRAA Thresholds

September 24, 2026

On August 21, 2026, the Department of Labor (DOL) published three final rules in the Federal Register modifying federal contractors' affirmative action obligations: formally rescinding the implementing regulations for Executive Order (EO) 11246, following EO 11246's rescission last year; narrowing Section 503 of the Rehabilitation Act of 1973 to align with applicable law and recent EOs; and making technical changes to the Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA), including updating jurisdictional thresholds.

Rescission of EO 11246 implementing regulations – effective October 26, 2026

EO 11246 has long required covered contractors to maintain written affirmative action programs (AAPs) addressing race- and sex-based criteria. Following EO 11246's rescission in January 2025, the DOL now formally rescinded the implementing regulations for EO 11246, which include placement goal and utilization analysis requirements for nonconstruction contractors. The agency cited additional rationales for the rescission, including eliminating legal vulnerabilities, improving efficiency of the government contracting process, decreasing employer burden and aligning the regulations with recent EOs.

Section 503 regulations modifications – effective September 21, 2026

The rule makes the following key changes to contractors' disability affirmative action obligations under Section 503 of the Rehabilitation Act:

- Eliminates the requirement that contractors invite applicants and employees to self-identify their disability status.
- Rescinds the 7% utilization goal for individuals with disabilities and the corresponding utilization analyses.
- Updates the Section 503 coverage threshold from $15,000 to $20,000 for inflation.
- Removes references to EO 11246 and adds administrative procedures at 41 CFR Part 60-30, effective December 21, 2026.

The DOL stated the modifications fulfill EO 14219's mandate to rescind regulations not authorized by clear statutory authority. The agency noted that the disability self-identification requirement and utilization goal were inconsistent with the Americans with Disabilities Act (ADA), and that the utilization analysis requirements were "now unworkable" given their dependence on the revoked EO 11246.

Importantly, the rule does not change reasonable accommodation requirements or the obligation to develop and maintain an AAP as to individuals with disabilities or protected veterans. Nondiscrimination provisions also remain intact, along with outreach requirements (Subpart C), complaint procedures (Subpart D) and most recordkeeping requirements.

VEVRAA regulations revisions – effective September 21, 2026

The VEVRAA revisions are modest. They remove cross-references to EO 11246, relocate administrative

enforcement procedures to 41 CFR Part 60-300, and codify the coverage threshold increase from $150,000 to $200,000 (which had already been implemented in October 2025).

Next steps

The three rules have different effective dates and should be tracked accordingly. By September 21, 2026, contractors should discontinue use of the CC-305 disability self-identification form and review policies and HR systems for compliance with remaining disability affirmative action obligations. By October 26, 2026, contractors should retire any remaining race- and sex-based AAP obligations. Contractors should also consult employment counsel regarding previously collected self-identification data and remain mindful that Title VII, the ADA, and applicable state and local antidiscrimination laws continue in full force. VEVRAA obligations remain largely unchanged.

If you have any questions about these developments, please reach out to a member of the Cooley employment team.

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