



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

Family Investment Administration
ACTION TRANSMITTAL

Control Number: 09-12

Effective Date: UPON RECEIPT

Issuance Date: SEPTEMBER 15, 2008

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS/ELIGIBILITY STAFF**

FROM: KEVIN M. MCGUIRE, EXECUTIVE DIRECTOR, FIA

RE: INCREASE IN THE FEDERAL MINIMUM WAGE

**PROGRAMS AFFECTED: TEMPORARY CASH ASSISTANCE AND FOOD
SUPPLEMENT PROGRAM (FSP)**

ORIGINATING OFFICE: OFFICE OF PROGRAMS

SUMMARY:

The federal minimum wage increased to **\$6.55 per hour effective July 24, 2008** and will increase to \$7.25 per hour July 24, 2009. Treat this change as any other change in a customer's situation. The change in the minimum wage also affects compliance with the Fair Labor Standards Act (FLSA) requirements for work programs. Updates to the TCA Manual and the WORK BOOK are being completed to reflect the minimum wage changes. The increase also affects the FSP work requirements.

WORK PROGRAMS:

The FLSA and minimum wage change directly affects customers who are in work activities classified as work, including work experience. This does not include customers who are in activities defined as training or who are employed and receive a pay check for the employment. Calculate the number of hours a customer can participate in work activities as follows:

1. Add the monthly TCA grant plus the monthly Food Supplement Program benefit;
2. Multiply the amount in #1 by 12 to annualize the income;
3. Divide the amount #2 by 52 weeks for a weekly amount; and
4. Divide the amount in #3 by \$6.55 per hour for the maximum number of hours per week the customer can legally participate in work.

Example:	
TCA grant:	\$300
FS benefit:	<u>+\$300</u>
Total TCA & FS benefits	\$600
Total multiplied by 12 months:	<u>x12</u>
	\$7,200
Annualized grant divided by 52 weeks	$\$7200 \div 52 = \138.46
Benefits divided by minimum wage	$\$138.46 \div \$6.55 = 21$ hours per week.

WORKS

It is important to review the hours of customers in activities considered work to ensure that they are not working more than the maximum number of hours allowed each week. Local departments can access the FLSA Report from the Master Menu in WORKS, (item 4) for the total number of hours each customer is allowed to work.

TCA Change Reporting Reminders:

Customers must report changes within 10 days of the change for TCA

When a change is reported in a household's income the case manager must act on it promptly. Do not wait until the next scheduled redetermination.

Reminder for FSP Benefits: The change in the minimum wage affects the statutory exemption from work requirements for a person who is receiving weekly earnings at least equal to the federal minimum wage times 30 (Section 130.5H of the FSP Manual) and the determination of voluntary quit and reduction in hours of work (130.18 in the Manual).

INQUIRIES:

Please direct TCA policy inquiries to Marilyn Lorenzo at 410-767-7333 or Gretchen Simpson at 410-767-7937. You may direct Food Stamp policy inquiries to Rick McClendon at 410-767-7307.

cc: DHR Executive Staff
 FIA Management Staff
 Constituent Services
 DHR Help Desk