



Department of Human Resources
311 W. Saratoga St.
Baltimore, MD. 21201-3521

FIA ACTION TRANSMITTAL

Control Number: 16-01

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Effective Date: July 1, 2015

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS AND CASE MANAGERS**

FROM: ROSEMARY MALONE, EXECUTIVE DIRECTOR

RE: INCREASE IN MARYLAND MINIMUM WAGE

**PROGRAM AFFECTED: TEMPORARY CASH ASSISTANCE (TCA), FOOD
SUPPLEMENT PROGRAM (FSP), TEMPORARY
DISABILITY ASSISTANCE PROGRAM (TDAP)**

ORIGINATING OFFICE: OFFICE OF PROGRAMS

SUMMARY:

In January 2015, we advised you that the State minimum wage was increasing July 1, 2015 from \$8.00 per hour to \$8.25 per hour. Subsequent increases will bring it to \$8.75 on July 1, 2016, \$9.25 on July 1, 2017, and \$10.10 on the same date in 2018.

Montgomery and Prince George's Counties increased the minimum wage in those counties to \$8.40 per hour on October 1, 2014. These local minimum wage standards increase to \$9.55 per hour on October 1, 2015, \$10.75 per hour on October 1, 2016, and \$11.50 per hour on October 1, 2017.

ACTION REQUIRED:

Local offices should expect more interim change reports in July since the new minimum wage increases the amount of earned income for working recipients. Case managers must act timely on the changes to prevent an over or under issuance in benefits and to ensure that TCA recipients in work experience or community service positions do not exceed Fair Labor Standards Act (FLSA) guidelines.

Affected programs include:

- **TCA:** Recipients must report the change within 10 days of the receipt of the pay check with the increase.

- **FSP:** Recipients need only to report the change if the household's total income increases to more than 130% of the Federal poverty level for the household size. However, the case manager **must** take action on FSP cases when customers report the change for other programs.
- **TDAP:** We do not expect an impact on TDAP as recipients are disabled and not eligible if they become employed.
- **Child Care Subsidy:** Customers must report the change within 10 days.
- **Medical Assistance:** Customers must report changes within 10 days.

Reminder: Periodically review recipients' WEX and WEM activities to ensure the customers do not exceed Federal Fair Labor Standards Act (FLSA) requirements. Local departments are in violation of Federal law if a recipient's WEX or WEM hours exceed the FLSA limit. Review the family's Independence Plan to determine if we must update their work activity to comply with FLSA. Note that federal TANF policy allows us to "deem" FLSA-limited customers to be countable in the WPR with the 20 hours per week core activity requirement:

To determine the number of hours an individual can participate in a WEX or WEM activity under FLSA, add the amount of TCA and the amount of Food Supplement benefits together then divide the amount by the minimum wage.

$TCA + FSP / \$8.25 \text{ per hour} = \text{number of FLSA hours the customer can participate}$

$TCA - \$300 + FSP \text{ benefit } \$200 = \$500$ $\$500 / \$8.25 = 60 \text{ hours per month or } 15 \text{ hrs per week.}$ The customer's hours would be deemed as meeting 20 hours per week.

Case managers must review the income at each interim change or redetermination they complete in order to ensure the earnings are correct.

INQUIRIES:

Please direct questions to the following people or units:

FSP – Rick McClendon- rick.mcclendon@maryland.gov 410-767-7307 or
Vera Lynch- vera.lynch@maryland.gov 410-767-7953

TCA & TDAP – Fatmata Khella at fatmata.khella@maryland.gov 410-767-7956.

MA – DHMH Division of Eligibility Policy and MCHP at 410-767-1463 or 1-800-492-5231 (select option 2 and request extension 1463).

c: DHR Executive Staff FIA Management Staff DHR HELP DESK
 DHMH Executive Staff FIA Policy and Training Constituent Services
 FIA Work Force Development Staff DHMH Training Staff