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Informational Letter

Section 1

Transmittal:	14-INF-15
To:	Local District Commissioners
Issuing Division/Office :	Center for Employment and Economic Supports (CEES)
Date:	December 22, 2014
Subject:	State Minimum Wage Increase and Its Effect on Temporary Assistance (TA) and Supplemental Nutrition Assistance (SNAP) Programs
Suggested Distribution:	Temporary Assistance Directors Supplemental Nutrition Assistance Program (SNAP) Directors Employment Services Coordinators Staff Development Coordinators
Contact Person(s):	Temporary Assistance Bureau: 1-800-343-8859, ext. 4-9344 SNAP Bureau: 1-800-343-8859, ext. 3-1469 Employment Services Advisor or the Employment and Advancement Services Bureau at 518-486-6106
Attachments:	
Attachment Available On – Line:	<input type="checkbox"/>

Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
13-INF-08 01-ADM-13		18 NYCRR 352.17 (e)	336 336-c Section 652 of the Labor Law	Temporary Assistance and SNAP Employment Policy Manual Section 385.9	TASB Chapter 13 Section A

Section 2

I. Purpose

The purpose of this Informational letter (INF) is to inform social services districts (districts) of an increase in the State minimum wage, effective December 31, 2014. This is the second of three increases to the State minimum wage authorized by Chapter 57 of the Laws of 2013. The INF also provides information regarding the effects that the increase in the State minimum wage may have on Temporary Assistance (TA)¹ and Supplemental Nutrition Assistance Program (SNAP) budgeting and employment program requirements.

II. Background

Districts were informed of the first increase in the State minimum wage authorized by Chapter 57 of the Laws of 2013 by 13-INF-08 published on December 16, 2013. The State minimum wage increased from \$7.25 to \$8.00 an hour on December 31, 2013.

The next increase in the State minimum wage will be effective on and after December 31, 2014 and will increase the State minimum wage from \$8.00 to \$8.75 per hour.

The third and final increase in the State minimum wage is scheduled to be effective on and after December 31, 2015. On December 31, 2015, the State minimum wage will increase from \$8.75 to \$9.00 per hour.

While these changes do not modify the minimum hourly rate for service workers, the enacted legislation authorized the New York State Department of Labor Commissioner to increase wage orders so the hourly compensation equals the State minimum wage. These wages orders are available through the following link:

<http://labor.ny.gov/workerprotection/laborstandards/workprot/minwage.shtm>

The federal minimum wage, currently \$7.25 per hour, will not change as a result of the change in Section 652 of the State Labor Law.

III. Program Implications

The increase in the State minimum wage, from \$8.00 per hour to \$8.75 per hour effective December 31, 2014, will result in additional income for some households receiving temporary assistance and/or SNAP benefits and offer an incentive for individuals to enter the workforce. The increase in the State minimum wage will also affect the number of hours a recipient may be required to participate in a work experience program effective January 2015, as described below.

Change in the Maximum Number of Hours Assignable to Work Experience

Section 336-c of the Social Services Law specifies that the maximum number of hours that an individual may be required to participate in work experience is equal to the sum of the participant household's temporary assistance grant plus SNAP allotment, if any, divided by the higher of the federal or State minimum wage. The resulting hours for the month are then

¹ Whenever 'Temporary Assistance' or 'TA' is used in this document, it means 'Family Assistance' and 'Safety Net Assistance.' Statutorily, these programs are referred to as 'Public Assistance.'

divided by 4.333 and rounded down to the nearest whole number to determine the maximum number of hours that an individual can be assigned to work experience per week. However, in no instance may an individual be required to participate in work experience or other work activities for more than 40 hour per week combined.

Required Action

As a result of the increase in the State minimum wage, districts must review the cases of all individuals engaged in work experience and use the increased minimum wage of \$8.75 per hour to determine the maximum hours that a TA or a SNAP recipient may be assigned to work experience effective January 2015. Districts must ensure that the hours an individual is required to participate in work experience do not exceed the maximum hours allowable under State law and may adjust the hours assigned to other work activities as needed, not to exceed 40 hours per week.

For example, a TA recipient who is currently assigned to a work experience activity for a maximum of 22 hours a week (rounded) based on the hours derived by dividing the household's TA grant plus SNAP allotment by \$8.00 could only be required as of January 2015 to participate in work experience for 20 hours per week based on the hours derived by dividing the TA grant plus SNAP allotment by \$8.75 per hour. However, while the number of hours that an individual may be assigned to work experience is limited based on the calculation described above, the district should continue to engage the individual in a combination of work activities, consistent with the individual's assessment and employment plan up to 40 hours per week.

TA Budgetary/Eligibility Implications

The increase in the State minimum wage may have budgetary implications for those TA cases whose earnings increase following the effective date of the change. TA recipients are obligated to timely report any changes in a household's circumstances which occur including increased earnings (i.e. ten days after receipt of increased earnings). The TA grant must be adjusted prospectively for any significant changes. A significant change is not a monetary amount, but rather is a change in income, such as a wage increase or decrease that is expected to last at least thirty days. If a TA recipient experiences a significant change in the amount of earnings, the social services district must obtain verification of the change including any changes in the number of hours that an individual is working and adjust the TA budget after any appropriate administrative processing period (see 18 NYCRR 352.17 (e) and 01-ADM-13) and allowing for timely notice.

If a TA recipient has a significant change in earned income because of the minimum wage increase and does not report the change in earnings timely, an overpayment must be calculated beginning with the actual month in which the significant change occurred.

The \$90 work disregard and the earned income disregard are not applied in those instances when a TA recipient fails, without good cause, to make a timely report of new or increased earnings. Additionally, a recipient of TA does not receive the administrative processing period for increased earnings, if the recipient fails to make a timely report of the increased earnings.

Districts must also ensure that the hours of employment entered in to the temporary assistance budget and/or reported onto the WTWCMS (NYC workers should review and adjust the hours of employment reported on the form FIA3A, as appropriate) are consistent with the documentation that is maintained as part of the case record.

Supplemental Nutrition Assistance Program Budgetary Implications

Supplemental Nutrition Assistance Program (SNAP) recipient households subject to the simplified (“six-month”) reporting rules would not be required to report an increase in earnings due to the increased minimum wage unless this increase would put the household over the 130% of poverty gross income limit. The increase in earnings due to the increase in the State minimum wage should be reviewed at the time of the next assessment of employability status, periodic report or recertification.

Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T) Requirements

An increase in the State’s minimum wage does not change the standard that is used to determine that an individual is exempt from SNAP work requirements based on receiving weekly earnings equal to the federal minimum wage multiplied by 30 hours (\$217.50 per week) or more. This provision relies on the federal minimum wage and is not affected by a change in the State minimum wage. However, an increase in weekly earnings may result in a change in the work registrant status for a SNAP applicant or recipient whose weekly earnings increase to \$217.50 or more per week. Districts must review an employed SNAP recipient’s work registration status at the next contact or recertification and adjust the individual’s work registration status to “WE-work registration exempt” in those instances where the district determines that the individual is working 30 or more hours per week or earning \$217.50 or more per week.

System Implications

Welfare-To-Work Caseload Management System/State Participation Rate Reporting Logic

The Welfare-To-Work Caseload Management System and the State Participation Rate Reporting Logic have been updated to reflect the increased State minimum wage effective December 31, 2014. Therefore, the maximum number of weekly hours available for a work experience assignment displayed on the employability plan screen on WTWCMS will be based on the increased State minimum wage effective December 31, 2014.

Districts are reminded that only individuals who are scheduled and actually participating in work experience for the maximum number of hours derived by dividing the household’s TA grant plus SNAP allotment will be deemed to have fulfilled the 20 “core” hours of participation required for participation rate purposes, even if the resulting hours of participation are less than 20 per week. The State minimum wage increase may increase the number of individuals eligible for the deeming provision to the extent that individuals participate in work experience. Individuals, who are required to participate more hours than the core hours, must participate in another countable work activity (minimum of 10 hours weekly, if the household is require to meet the 30 hour weekly participation requirement) to fulfill those hours for work participation rate purposes.

Issued By

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