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Informational Letter

Section 1

Transmittal:	13-INF-08
To:	Local District Commissioners
Issuing Division/Office :	Center for Employment and Economic Supports (CEES)
Date:	December 16, 2013
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.
			Sec. 336 Sec.336-c Sec. 652 of the Labor Law	Temporary Assistance and SNAP Employment Policy Manual Section 385.9	

Section 2

I. Purpose

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

II. Background

The State minimum wage will increase from \$7.25 per hour to:

- \$8.00 per hour effective December 31, 2013;
- \$8.75 per hour effective December 31, 2014; and,
- \$9.00 per hour effective December 31, 2015.

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

III. Program Implications

The increase in the State minimum wage effective December 31, 2013, will result in additional income for some households receiving TA and/or SNAP benefits and increase the incentive 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 placement effective January 2014, 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 TA grant plus SNAP allotment divided by the higher of the federal or State minimum wage. The resulting hours for the month are then 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 \$8.00 per hour to determine the maximum hours that a TA or a SNAP recipient may be assigned to work experience effective January 2014. 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.

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. 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 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 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 into the TA budget and/or reported on the Welfare-To-Work Caseload Management System (WTWCMS) [or NYCWAY in NYC] are consistent with the documentation that is maintained as part of the case record.

Supplemental Nutrition Assistance Program Budgetary Implications

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 (currently \$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. 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 WTWCMS and the State Participation Rate Reporting Logic have been updated to reflect the increased State minimum wage effective December 31, 2013. 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, 2013.

Districts are reminded that individuals 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 this work experience deeming provision.

Issued By

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