



Department of Human Resources
 311 West Saratoga Street
 Baltimore MD 21201

FIA ACTION TRANSMITTAL

Control Number: # 06-34

Effective Date: February 16, 2006

Issuance Date: April 5, 2006

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

**FROM: KEVIN M. MCGUIRE, EXECUTIVE DIRECTOR
 CHARLES LEHMAN, EXECUTIVE DIRECTOR, DHMH, OEP**

RE: INCREASE IN MARYLAND'S MINIMUM WAGE

PROGRAM AFFECTED: AII PROGRAMS

ORIGINATING OFFICE: OFFICE OF PROGRAMS

SUMMARY:

The minimum wage in Maryland increased to \$6.15 effective February 16, 2006. 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.

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 activities defined as training). The total number of hours per week in **work activities** that a customer may participate in is equal to the total of their TCA and Food Stamp benefits, divided by 4.3 weeks, divided by the new Maryland hourly minimum wage of \$6.15.

$$\frac{(TCA + FS)}{4.3}$$

$$6.15$$

Customers in affected work activities must have their hours redetermined to ensure that they are not working more than the maximum number of hours permitted each week. Each local department can access the Master Menu in WOMIS, item 4: FLSA Report for the total number of hours each customer is allowed to participate in the work activity

Example:

Customer is in a Work Experience activity. She receives \$490 in TCA and \$230 in Food Stamp benefits for a total of \$720 per month.

\$720 per month divided by 4.3 weeks, divided by Maryland's new minimum wage of \$6.15 = 27 hours per week.

Under FLSA requirements, the customer in the example can participate in a federally defined work activity, such as work experience, for 27 hours per week. The participation requirement is 40 hours per week. Schedule the customer for the additional 13 hours in a non-work activity such as job search, education or training.

Change Reporting Reminders

Changes must be reported within 10 days of the change for:

TCA, Medical Assistance [FAC, LTC and ABD, Maryland Children's Health Program (MCHP) and Qualified Medicare Beneficiaries (QMB)] and for Purchase of Care (POC)

When a change is reported in a household's income, eligibility must be promptly determined, rather than waiting for the next scheduled redetermination.

Food Stamp Households

- FS households in simplified reporting are required to report the change only if the household's income exceeds 130% of the federal poverty level for the household size.
- FS households not in simplified reporting (change reporters) must report within 10 days when earnings go up or down by more than \$100 from the amount last used to calculate the household's allotment provided the household is certified for no more than 6 months.
- Reminder for food stamps: The change in the State minimum wage does not change the work requirement exemption for a person who is receiving weekly earnings at least equal to the federal minimum wage times 30 (Section 130.5H of the Food Stamp Manual).
- Also, to determine student eligibility for a self-employed student you will still use 20 times the federal minimum wage (Section 120.3A in the manual). The federal minimum wage is still \$5.15 per hour.

INQUIRIES:

Please direct TCA policy inquiries to Marilyn Lorenzo at 410-767-7333 or Gretchen Simpson at 410-767-7937. Direct Food Stamp policy inquiries to Kay Finegan at 410-767-7939 or Rick McClendon at 410-767-8513. Purchase of Care policy inquiries should be directed to Betsy Blair at 410-767-7845 and Medical Assistance inquiries should be directed to Deborah Weathers at 410-767-7994 or DHMH Eligibility Policy at 410-767-1463.

Attachments

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

FEDERAL POVERTY LEVEL STANDARDS*

(Effective April 1, 2004)

FAMILY SIZE	MONTHLY**	YEARLY
1	\$ 775	\$ 9,310
2	1,040	12,490
3	1,305	15,670
4	1,570	18,850
5	1,835	22,030
6	2,100	25,210
7	2,365	28,390
8	2,630	31,570
For each additional person, add \$3,180 yearly.		

* The poverty guidelines are updated annually in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C 9902 (2).

** Monthly amounts have been rounded up to the nearest dollar.