



311 West Saratoga Street  
Baltimore MD 21201

## FIA ACTION TRANSMITTAL

Control Number: # 18-22

Effective Date: Immediately

Issuance Date: June 13, 2018

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

**FROM: NETSANET KIBRET, ACTING 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

Effective July 1, 2018, Maryland's minimum wage increases to \$10.10 an hour.

### ACTION REQUIRED

Local offices should expect additional interim change reports in July since the new minimum wage increases the amount of earned income for some working recipients. Case managers must act timely on the changes to prevent errors in benefit issuances and to ensure that the work hours of TCA recipients in Work Experience (WEX) 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 first paycheck with the increase.
- **FSP:** Recipients are required to report the change only 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 or when the customer reports the change for another program.

- **TDAP:** There is no impact to TDAP recipients, as recipients are disabled and not eligible for TDAP if they become employed.
- **Child Care Subsidy (CCS):** TCA recipients with CCS cases must report the change within 10 days. Changes in non-cash assistance cases must be reported to Maryland State Department of Education (MSDE) within 10 days.

### **TCA Recipients in WEX and WEM Activities:**

Case managers need to periodically review the cases of TCA recipients in WEX and WEM activities to ensure that the work hours of those customers do not exceed the 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.

The case manager should first review the family's Independence Plan to ensure it addresses any changes in work requirements because of the increase in the minimum wage. Remember, federal TANF policy allows us to "deem" FLSA-limited customers as countable in the Work Participation Rate meeting the 20 hours per week core activity requirement.

Next, determine the number of FLSA hours the customer can participate in a WEX or WEM activity. Add the amount of TCA and the amount of Food Supplement benefits together. Then, divide the total amount of benefits by the new minimum wage.

$(\text{TCA amount} + \text{FSP amount}) / \text{minimum wage} = \text{number of FLSA hours the customer can participate under FLSA.}$

Example:

$\$306 \text{ (TCA amount)} + \$200 \text{ (FSP amount)} = \$506 \text{ of total benefits}$

$\$506 / \$10.10 \text{ (minimum wage)} = 50 \text{ hours per month or 12 hrs per week.}$

The TCA customer's 12 hours are deemed as meeting 20 hours per week.

### **FSP Recipients:**

For the Food Supplement Program, in particular Able Bodied Adults Without Dependents (ABAWDs), the hours in workfare and work experience are also governed

by FLSA. Follow the same calculation as provided above, **but** use only the FSP amount received to determine the number of hours a customer may participate in an unpaid activity. ABAWDs can meet the work requirement by working 20 hours per week.

The local department cannot require an ABAWD to participate in a work program for longer than the 20 hours per week or more than the FLSA hours. Customers are deemed to be meeting the ABAWD requirement if they are meeting the FLSA hours per month.

FSP benefit/minimum wage = number of hours ABAWD can participate under FLSA

Example:

$\$192$  (FSP amount)/ $\$10.10$  (minimum wage) = 19 hrs per month or 4-5 hours per week maximum the customer can participate in an unpaid work activity covered under FLSA.

Lastly, remember to review the customer's income at interim change and redetermination in order to ensure the earnings are correct.

### **ATTACHMENTS**

N/A

### **INQUIRIES**

Please direct inquiries to [fia.policy@maryland.gov](mailto:fia.policy@maryland.gov)

cc: DHS Executive Staff  
FIA Management Staff  
DHS Help Desk  
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FIA Policy and Training  
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