



311 West Saratoga Street
Baltimore MD 21201

FIA ACTION TRANSMITTAL

Control Number: # 20-12

Effective Date: Immediately

Issuance Date: January 13, 2020

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

FROM: NETSANET KIBRET, EXECUTIVE DIRECTOR

RE: INCREASE IN MARYLAND MINIMUM WAGE

**PROGRAM AFFECTED: TEMPORARY CASH ASSISTANCE (TCA),
FOOD SUPPLEMENT PROGRAM (FSP), TEMPORARY
DISABILITY ASSISTANCE PROGRAM (TDAP), AND
CHILD CARE SUBSIDY (CCS).**

ORIGINATING OFFICE: OFFICE OF PROGRAMS

Summary

Effective January 1, 2020, Maryland’s minimum wage increased to \$11 per hour. During the 2019 Legislative Session, a bill was passed that increases the State minimum wage over the next five years until it reaches \$15 in 2025. Table 1 reflects the wage increase schedule for all Maryland jurisdictions with the exception of Montgomery and Prince George’s Counties. Wage increase schedules for Montgomery and Prince George’s are reflected in Table 2 and Table 3 respectively.

Table 1

State Minimum Wage Increase - Employers with 15 or more employees	
Effective Date	Hourly Wage
January 1, 2020	\$11.00
January 1, 2021	\$11.75
January 1, 2022	\$12.50
January 1, 2023	\$13.25
January 1, 2024	\$14.00
January 1, 2025	\$15.00
Employers with 14 or fewer employees	

January 1, 2020	\$11.00
January 1, 2021	\$11.60
January 1, 2022	\$12.20
January 1, 2023	\$12.80
January 1, 2024	\$13.40
January 1, 2025	\$14.60
January 1, 2026	\$15.00

Table 2

Montgomery County Minimum Wage – Employers with 51 or more employees	
Effective Date	Minimum Wage
July 1, 2020	\$14.00
January 1, 2025	Follow Statewide Minimum Wage as reflected in Table 1
Employers with 11 to 50 employees	
July 1, 2020	\$13.25
January 1, 2025	Follow Statewide Minimum Wage as reflected in Table 1
Employers with 10 or fewer employees	
July 1, 2020	\$13.00
January 1, 2025	Follow Statewide Minimum Wage as reflected in Table 1

Table 3

Prince George’s County Minimum Wage	
All employers until 12/31/2020	\$11.50
January 1, 2021	Follow Statewide Minimum Wage as reflected in Table 1

This Action Transmittal (AT) replaces AT #18-22.

Action Required

Because the minimum wage increases will impact overall earned income for public assistance recipients, Local Departments of Social Services (LDSS) will likely realize increased number of interim changes in January and subsequent months. LDSSs must develop mechanisms to ensure case managers act on reported income timely in order to prevent errors in benefit payments and 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 increased wage.
- **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. Case managers **must** take action when customers report the change in association with the FSP case or any another program in which they are enrolled.
- **TDAP:** There is no impact to TDAP recipients, as recipients are disabled and not eligible for TDAP if they become employed.
- **Child Care Scholarship (CCS):** TCA recipients with CCS cases must report the change within 10 days. Changes in non-cash assistance cases must be reported to the Maryland State Department of Education (MSDE) within 10 days.

TCA Recipients in WEX and WEM Activities:

Case managers must conduct periodic review of cases of TCA recipients in WEX and WEM activities to ensure that the work hours of those customers do **not** exceed FLSA requirements. Local departments are in violation of federal law if a recipient's WEX or WEM hours exceed the FLSA limit.

The case managers 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 TCA policy allows states to “deem” FLSA-limited customers as countable in the Work Participation Rate meeting the 20 hours per week core activity requirement. Case managers must then determine the number of FLSA hours the customer can participate in a WEX or WEM activity. The hours are calculated by taking the sum of TCA and FSP benefits divide by the new minimum wage as shown below:

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

Example:

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

$\$506 / \$11 \text{ (minimum wage)} = 46 \text{ hours per month or } 11.5 \text{ hrs per week.}$

The TCA customer's 11.5 hours per week are deemed as meeting 20 hours per week

FSP Recipients:

For FSP, 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.

An LDSS 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.

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

Example:

\$192 (FSP amount)/\$11 (minimum wage) = 17.5 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.

Inquiries

For TCA, TDAP and FSP policy-related questions, please complete the [FIA Policy Information Request Form](#) found on Knowledge Base as shown in the screenshot below.

For CARES/systems related inquiries, please contact fia.bsdm@maryland.gov.

The screenshot shows the DHS Knowledge Base website. The top navigation bar includes 'Administrations', 'Tools', 'Resources', 'Links', and 'Local Offices'. A search bar is present. The main content area is titled 'Contact us with your FIA Program Eligibility Policy Question'. On the left, a sidebar menu lists various categories, with 'Family Investment Administration' and 'Contact us with your FIA Program Eligibility Policy Question' circled in red. The main content area features a 'FIA Policy Information Request' form with instructions and contact information for Carrie A. Durham, JD and Candice A. Roberts. A 'Tools' button is visible at the bottom right.

- c: DHS Executive Staff
- Constituent Services
- DHS Help Desk
- FIA Management Staff
- Office of Administrative Hearings