



Office of Children and Family Services

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Local Commissioner Memorandum

Transmittal:	16-OCFS-LCM-01
To:	Commissioners of Social Services
Issuing Division/Office:	Division of Child Care Services
Date:	January 19, 2016 (<i>Rev. January 26, 2016</i>)
Subject:	State Minimum Wage Increase and Its Effect upon Child Care Subsidies
Suggested Distribution:	Director of Services Day Care Subsidy Supervisors WMS Coordinators Accounting and Child Welfare Supervisors
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Attachments:	None

I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) is to inform local social services districts (districts) that the increase in the state minimum wage to \$9.00 (effective December 31, 2015) may affect families receiving child care subsidies and families receiving child care in lieu of Temporary Assistance.

II. Background

Labor Law § 652 authorizes increases to the New York State minimum wage. The latest increase went into effect on December 31, 2015, and raised the minimum wage to \$9.00 per hour. Districts were informed of previous increases to the minimum wage on December 22, 2014, in an informational letter (INF) issued by the Office of Temporary and Disability Assistance (OTDA), 14-INF-15, entitled *State Minimum Wage Increase and Its Effect on Temporary Assistance (TA) and Supplemental Nutrition Assistance (SNAP) Programs*. The law requires that employers in New York State pay all general employees in the state, including most domestic workers, at least \$9.00 per hour as of December 31, 2015. Minimum wage requirements are also specifically applicable to those employed in the following areas, pursuant to the New York Labor regulations cited below:

- Building Services Industry - 12NYCRR Part 141
- Miscellaneous industries and occupations - 12 NYCRR Part 142
- Hospitality - 12NYCRR Part 146
- Farming - 12NYCRR Part 190

Additional information can be found by calling 1-888-4NYSDOL (1-888-469-7365) or logging onto <https://www.labor.ny.gov>.

III. Program Implications

Title 18 of the Codes, Rules and Regulations of New York State section 415.3(b) requires that applicants for child care assistance notify the district immediately of any changes in family income and composition, child care arrangements, and any other circumstances related to the family's eligibility for child care services. Districts must remind families whose income may increase due to the change in the minimum wage of this reporting requirement. When informed of a family's increase in income, the district must re-determine the family's eligibility and adjust benefits as necessary.

The increase in the state's minimum wage also affects the required minimum gross earnings of families that are in receipt of child care in lieu of Temporary Assistance. Districts must review all families who are currently receiving child care assistance in lieu of Temporary Assistance to make sure that the families are meeting the new minimum gross earnings requirement and minimum number of work hours. The chart below provides the minimum gross earnings and minimum number of work hours for single and two-parent households.

Family	Minimum Gross Earnings	Minimum Number of Work Hours
Single-parent family earning minimum wage or more per hour or self-employed	\$157.50/week or \$682.50/month	N/A
Two-parent family when both parents are employed earning minimum wage or more per hour <u>or</u> are self-employed	\$225.00/week combined or \$975.00/month combined	N/A
Single-parent in a job exempt from minimum wage rules and paying less than minimum wage per hour	N/A	17.5 hours per week
Two-parent family where both parents are employed in a job exempt from minimum wage rules and paying less than minimum wage	N/A	25 hours per week combined
Two-parent family: One parent is employed earning minimum wage or more per hour, <u>or</u> is self-employed and earns at least the equivalent of the minimum wage per hour; and the other parent is in a job exempt from minimum wage rules that pays less than minimum wage per hour.	\$157.50/week or \$975.00/month N/A	N/A 7.5 hours per week

The above minimum gross earning amounts are based on the current minimum wage of \$9.00 per hour times 17.5 hours per week for a single parent/caretaker relative and the minimum wage of \$9.00 per hour times 25 hours per week for a two-parent family. However, parent/caretaker relative(s) earning more than minimum wage may be employed for less than 17.5 or 25 hours, provided that their income is equal to or greater than the above amounts. Self-employed parent/caretaker relative(s) must meet the above gross earned income minimums (see 95 OTDA INF-33 for self-employment budgeting). For parent/caretaker relative(s) in jobs that are exempt from minimum wage rules, the parent/caretaker relative(s) must meet the minimum work hours.

For more detailed information regarding the eligibility requirements for child care in lieu of Temporary Assistance, please refer to 04-OCFS-ADM-01.

IV. Required Actions

As a result of the increase in the state minimum wage, districts must review all individuals in receipt of child care in lieu of Temporary Assistance to determine whether or not they are meeting the minimum gross earnings and the minimum number of work hours. Local districts must send the OCFS-LDSS 4782, *Notice of Intent to Discontinue Child Care Benefits*, to those individuals who do not meet these requirements. The notice must inform the individual(s) that they no longer meet the minimum gross earnings and/or minimum number of work hours, as required in 18 NYCRR 415.2(a)(1)(ii) and described in 04-OCFS-ADM-01, *Guaranteed Childcare in Lieu of Temporary Assistance*.

Local districts must remind child care recipients who use in-home child care providers that they must pay at least the minimum wage to such providers.

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