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South Carolina Department of Disabilities and Special Needs COMMISSION Eddie L. Miller Chairman Michelle Woodhead Vice Chairman Gary Kocher, M.D. Secretary Barry D. Malphrus David L. Thomas

<u>MEMORANDUM</u>

TO: Executive Directors, DSN Boards of Case Management CEOs, Contracted Service Providers of Case Management Case Management Supervisors

FROM: Janet Brock Priest, Associate State Director-Operations

DATE: January 19, 2024

SUBJECT: Transitioning Individuals From Subminimum Wage Pay

Since 1938, employers that hold a 14 (c) certificate from the US Department of Labor have been allowed to pay employees with disabilities less than the federal and/or state minimum (subminimum) wage. In May of 2022, the state of South Carolina enacted legislation that prohibits employers in the state from paying employees subminimum wage after August 1, 2024. Until August 1, 2024, those employers (which may include DDSN-licensed day programs) will be considering other options for their employees who earn subminimum wage. Those options may include increasing earnings to at least minimum wage (\$7.25/hour); increasing the hourly wage but decreasing the number of work hours; or terminating an authorization for a service (Career Preparation) through which subminimum wages are earned in favor of a non-work services (e.g. Community Services or Day Activity).

As a case manager, it is important to understand this legislative change and the impact it may have on those you support. Specifically, as a case manager, you must understand each person's preferences regarding employment. Some people supported may prefer to pursue community integrated employment rather than other options available through DDSN Day Services. If so, you should make the referral to South Carolina Vocational Rehabilitation Department (SCVRD). Forms to be completed to make the referral to SCVRD can be found in the DDSN Application Portal (*(DDSN>Business Tools > Forms > Case Management*). These forms should be completed accurately and legibly and include the signature from the person supported. **Completed forms should be submitted to SCVRD and DDSN**. Email addresses are located at the top of the form. Case managers are encouraged to monitor referrals made to SCVRD. Once employment has been secured and job stability obtained, case managers should be prepared to arrange for long term follow along services for the person. Follow along services for those who obtain employment through SCVRD support is available as Waiver-Funded Employment Services Individual or through State Funded Follow Along.

Information about legislation can be found here: Subminimum wage in South Carolina.

Please direct questions regarding this correspondence to Becky Peters at <u>Becky.Peters@ddsn.sc.gov</u> or Susan Davis at <u>Susan.Davis@uscmed.sc.edu</u>.