

**DSS ADMINISTRATIVE LETTER NO. ECONOMIC AND FAMILY SERVICES 5-2009  
(Work First Program)**

**TO:** County Directors of Social Services

**ATTENTION:** Work First Program Administrators, Managers, and Supervisors

**DATE:** July 9, 2009

**SUBJECT:** Use of Minimum Wage

**EFFECTIVE DATE:** July 24, 2009

**I. GENERAL INFORMATION**

The purpose of this letter is to inform you that effective July 24, 2009, the federal minimum wage and the minimum wage for North Carolina will increase to \$7.25. When determining whether to quote Federal or State minimum wage rates, the term, whichever is higher, is often used. In this case, the rates will be the same. The minimum wage calculation is used in determining the maximum number of hours that a Work First participant can be assigned to Work Experience activities and/or Community Service activities per month. The minimum wage is also used in determining the number of employment hours for a Work First participant that is self-employed.

Federal law requires that the minimum wage rules of the Fair Labor Standards Act (FLSA) apply to Work Experience (AW) and Community Service (CS) participants. Because of the FLSA regulations, combined AW and CS activities should not exceed the maximum number of hours per month as determined by the FLSA formula. The maximum number of hours the participant may be assigned to Work Experience and/or Community Service per month is determined by dividing the amount of the Work First Cash Assistance (prior to a sanction) plus their Food and Nutrition Services allotment by the state or federal minimum wage (not to exceed 40 hours per week), whichever is greater. **The participant cannot be scheduled for or volunteer additional hours beyond the hours calculated.**

When a participant has completed the maximum number of hours of Work Experience allowable based on the minimum wage calculation, and that number is below an average of 20 hours per week, the caseworker should “deem” that person to have completed an average of 20 hours per week of work experience for that month. (See [Section 118](#) of the Work First Policy Manual.)

For a self-employed individual, the caseworker must calculate the employment hours by dividing the individual’s monthly adjusted gross income by the Federal or State minimum wage, whichever is greater. Documentation of this calculation must be maintained in the case record, and **the caseworker must not key more than that number of employment hours in EPIS.** Adjusted gross income is gross income minus operational expenses. For this calculation, use the gross income that was calculated by the automated budget at the time of WFFA eligibility determination. (See [Section 118](#) of the Work First Policy Manual.)

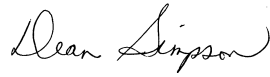
**II. IMPLEMENTATION PROCEDURES**

Apply this policy to the next review, application, or change in situation effective July 24, 2009.

**III. EFFECTIVE DATE**

This policy is effective July 24, 2009. Should you need additional guidance, please contact your Work First Representative.

Sincerely,

A handwritten signature in cursive script that reads "Dean Simpson".

Dean Simpson, Chief  
Economic and Family Services Section

DS/ gbw

cc: Sherry S. Bradsher  
Jack Rogers  
Sarah Barham  
Hank Bowers  
Work First Local Support  
Local Business Liaisons  
Work First Program Representatives