




A BUSINESS CAN BE GRANTED A FEDERAL SPECIAL WAGE CERTIFICATE TO PAY SUB-MINIMUM WAGE

(Which pays workers with disabilities according to their productivity)

Scenario 1 = One worker working at a 100% productivity level

		Prevailing Wage	Hours Worked	Productivity Percent	FTE Hours	Total Wage
Worker #1		\$10 / hour	1	100%	1	\$10

Scenario 2 = An example of two workers working below a 100% productivity level

		Prevailing Wage	Hours Worked	Measured Productivity Percent	FTE Hours	Total Wage
Worker with a Disability #1		\$10 / hour	1	75%	.75	\$7.50
Worker with a Disability #2		\$10 / hour	1	25%	.25	\$2.50
Combined =					1	\$10

Note: Additional costs to using workers paid at sub-minimum wage include administrative costs for annual prevailing wage surveys, ongoing time studies, record keeping, documentation, and increased space and equipment.

Strictly monitored by the Department of Labor under Section 14(c). For more information visit:

<http://www.dol.gov/whd/sec14c/>

Oregon Rehabilitation Association
503-585-3337

FAQ ABOUT SUB MINIMUM WAGE

(SECTION 14(c) OF DOL REGULATION)

Q: Can people be paid less than minimum wage?

A: Yes - If the business or nonprofit organization has a sub-minimum wage certificate from the federal Department of Labor. This enables the business to employ severely disabled individuals and compensate them fairly based on productivity.

Q: What is required to pay less than minimum wage?

A: Strict compliance with Section 14(c) regulations:

- 1) Documentation by a certified professional that the productivity of an individual for a specific job is substantively reduced because of their disability.
- 2) Hourly wage based on what area businesses pay for similar work (prevailing wage) as surveyed annually.
- 3) Establishment of productivity measurement for each job while people receive sub-minimum wage.
- 4) Ongoing measurements of individual productivity.
- 5) Annual submission of required documentation to the Department of Labor and receipt of certificate authorizing sub-minimum wage.

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