

114TH CONGRESS  
1ST SESSION

# S. 2001

To phase out special wage certificates under section 14(c) of the Fair Labor Standards Act of 1938 that allow individuals with disabilities to be paid at subminimum wage rates.

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## IN THE SENATE OF THE UNITED STATES

AUGUST 5, 2015

Ms. AYOTTE introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To phase out special wage certificates under section 14(c) of the Fair Labor Standards Act of 1938 that allow individuals with disabilities to be paid at subminimum wage rates.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Transitioning to Inte-  
5       grated and Meaningful Employment Act” or “TIME Act”.

6       **SEC. 2. FINDINGS.**

7       Congress finds the following:

1           (1) Section 14(c) of the Fair Labor Standards  
2 Act (referred to in this section as “Section 14(c)”)   
3 (29 U.S.C. 214(c)) allows the Secretary of Labor to  
4 grant special wage certificates to certain entities, al-  
5 lowing such entities to pay individuals with disabil-  
6 ities subminimum wages.

7           (2) Advancements in vocational rehabilitation,  
8 technology, and training provide workers with dis-  
9 abilities with greater opportunities than in the  
10 1930s, when Section 14(c) was passed. When pro-  
11 vided the proper rehabilitation services, training,  
12 tools, and expectations, employees with disabilities  
13 can be as productive as nondisabled employees.

14           (3) The Office of Disability Employment Policy  
15 of the Department of Labor continues to support the  
16 development and implementation of new innovative  
17 tools and strategies, like Customized Employment  
18 and the Discovery process, that have resulted in the  
19 successful training and employment of individuals  
20 with significant disabilities, allowing them to obtain  
21 competitive integrated employment.

22           (4) In August of 2012, the National Council on  
23 Disability (referred to in this section as the  
24 “NCD”), an independent Federal agency tasked  
25 with making recommendations to the President

1 about disability-related policy matters, released its  
2 report on subminimum wage and supported employ-  
3 ment. The NCD unanimously recommended that the  
4 Department of Labor immediately stop issuing new  
5 special wage certificates. In addition, NCD rec-  
6 ommended that the “Section 14(c) program be  
7 phased out.”.

8 (5) Programs, such as the Vermont Conversion  
9 Institute, exist to help entities holding Section 14(c)  
10 certificates transition their business models in order  
11 to ensure integrated, meaningful employment that  
12 provides compensation of at least the Federal min-  
13 imum wage for all of their employees. Vermont does  
14 not have any Section 14(c) certificate holders in the  
15 State. Twenty-two States were represented at the  
16 seventh Conversion Institute forum in 2013, where  
17 entities holding Section 14(c) certificates learned  
18 strategies from others that had already transitioned  
19 their businesses, in order to seamlessly make the  
20 change themselves.

21 (6) As of May 2015, no Section 14(c) certifi-  
22 cates are held by any entity in the State of New  
23 Hampshire. By using innovative strategies, the 3 en-  
24 tities that held Section 14(c) certificates in 2013  
25 transitioned their business models to ensure that all

1 employees are meeting their full vocational potential,  
2 proving that transition is possible and that Section  
3 14(c) certificates are unnecessary.

4 **SEC. 3. TRANSITION TO FAIR WAGES.**

5 (a) DISCONTINUANCE.—During the period beginning  
6 on the date of enactment of this Act and ending on the  
7 date that is 3 years after such date of enactment, the Sec-  
8 retary of Labor shall not issue any special wage certificate  
9 under section 14(c) of the Fair Labor Standards Act of  
10 1938 (29 U.S.C. 214(c)) to any entity unless the issuance  
11 is a renewal of a special wage certificate previously issued  
12 to the entity.

13 (b) TRANSITION.—Any special wage certificate issued  
14 or renewed under section 14(c) of the Fair Labor Stand-  
15 ards Act of 1938 (29 U.S.C. 214(c)) shall be void as of  
16 the date that is 3 years after the date of enactment of  
17 this Act.

18 (c) REPEAL.—Effective on the date that is 3 years  
19 after the date of enactment of this Act, section 14(c) of  
20 the Fair Labor Standards Act of 1938 (29 U.S.C. 214(c))  
21 is repealed.

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