II

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.

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

---

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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Transitioning to Integrated and Meaningful Employment Act'' or ''TIME Act''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Section 14(c) of the Fair Labor Standards Act (referred to in this section as ‘‘Section 14(c)’’) (29 U.S.C. 214(c)) allows the Secretary of Labor to grant special wage certificates to certain entities, allowing such entities to pay individuals with disabilities subminimum wages.

(2) Advancements in vocational rehabilitation, technology, and training provide workers with disabilities with greater opportunities than in the 1930s, when Section 14(c) was passed. When provided the proper rehabilitation services, training, tools, and expectations, employees with disabilities can be as productive as nondisabled employees.

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

(4) In August of 2012, the National Council on Disability (referred to in this section as the ‘‘NCD’’), an independent Federal agency tasked with making recommendations to the President

about disability-related policy matters, released its report on subminimum wage and supported employment. The NCD unanimously recommended that the Department of Labor immediately stop issuing new special wage certificates. In addition, NCD recommended that the ‘‘Section 14(c) program be phased out.’’.

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

(6) As of May 2015, no Section 14(c) certificates are held by any entity in the State of New Hampshire. By using innovative strategies, the 3 entities that held Section 14(c) certificates in 2013 transitioned their business models to ensure that all

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

SEC. 3. TRANSITION TO FAIR WAGES.

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

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

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

○