



# Ending Subminimum Wage

**Subminimum wage** is when people with disabilities are paid **LESS** than the minimum wage of \$7.25 per hour. Sometimes, this is **pennies** on the dollar. Since **1938**, section 14(c) of the Fair Labor Standards Act allows employers with a 14(c) certificate to pay employees with disabilities less than the federal minimum wage. Paying people with disabilities subminimum wage is based on the **perceived** impact the employee's disability has on their ability to perform the job.



## Over **1,200** South Carolinians with disabilities are paid *below* the minimum wage as of 2020.

At the beginning of 2020, there were **over 2,900 individuals** with disabilities in South Carolina who were paid subminimum wage. Since the pandemic, this number has significantly decreased to 1,200 individuals, meaning that **now is the perfect time to phase out subminimum wage**, when there are fewer individuals to transition out of the service.



## *Isn't it fair for disabled people to be paid less if they work slower than their peers and produce less?*

No, people with **and** without disabilities may perform their job at higher or lower production rates. If people with disabilities are provided with reasonable accommodations under the Americans with Disabilities Act (ADA), they can perform the position's essential duties. **Employers consistently rate workers with disabilities as average or above average** in performance, quality and quantity of work, flexibility to demands, attendance, and safety.

(VCU Rehabilitation Research and Training Center: <https://vcurrtc.org/resources/viewContent.cfm/589>)

## People working in the community **makes fiscal sense.**



Services in sheltered workshops, where people with disabilities are paid subminimum wage, end up costing **more than double** that of supported employment services that encourage competitive employment in the community (*Cimera, 2011*). Competitively employed consumers repay the cost of their vocational rehabilitation services in an average of 4.5 years. That's a **22% annual rate of return** on taxpayer investment.

(SCVRD: <https://scvrd.net/results>)

## Senate Bill **533** would end subminimum wage for South Carolinians with disabilities through a **3-year phase-out plan.**



If S.533 is passed, a task force would assemble to create a 3-year transition plan to phase out subminimum wage by 2024 so that service providers, employers, and employees will be **supported** during that transition period and prepared for competitive, integrated employment.





# Ending Subminimum Wage Success Stories

## Angela's Story



Angela was in a sheltered workshop from 1994-2015. She worked Monday-Friday making about **\$3/hour**. She always believed that community employment was possible but did not have the support to achieve employment. In 2015, she moved, and the new agency that provided her services quickly worked to help her get employment in the community. They believed in her and took a chance on her. She has worked in the community for the past 6 years and is currently working at the University of South Carolina as a dining room attendant, working 20 hours a week.

*"I regret being in the sheltered workshop," Angela said. "I was there for 21 years but now I have worked in the community for 6 years. Working is important to me. Working has helped me be more independent."*

## Jerome's Story



Jerome has a physical and intellectual disability. He graduated high school with a diploma, but he was put in a sheltered workshop at 21. He spent 11 years in a sheltered workshop making subminimum wage and performing minimal tasks, while not being able to contribute to society and live up to his full potential. Today, Jerome is a proud employee of the City of Clinton. Since 2018, he has worked full-time for the city as an administrative clerk. His duties include answering phones, assisting visitors, and providing excellent customer service.

## Abe's Story



Abe started working in a sheltered workshop right out of high school and stayed there for 27 years. Over a year ago, he was able to transition into community employment, working at a local sheriff's department. He has done such a great job that he was featured on the sheriff's department's Facebook page several times. Getting a job in the community has allowed Abe to be more financially stable and independent. He was able to move from a community living home to living independently in his own apartment.

