



# Representative Chris Tuck

Alaska State Legislature  
State Capitol, Room 216  
Juneau, AK 99801

Phone: (907) 465-2095  
Toll-free: (866) 465-2095

## MEMORANDUM

March 1, 2022

**TO:** House Judiciary Committee  
Chair Rep. Matt Claman

**FROM:** Rep. Chris Tuck

**SUBJ:** Re: Data on the use of subminimum wages paid to disabled persons

The federal Fair Labor Standards Act of 1938 permits, in certain circumstances, the payment of subminimum wages to individuals with disabilities. To pay such wages, employers must apply for and hold a [14\(c\) certificate](#) from the U.S. Department of Labor's Wage and Hour Division. The U.S. Government Accountability Office [reports](#) that "as of October 2020, more than 1,200 organizations held or had applied for 14(c) certificates to employ workers with disabilities" in the United States. A July 2020 Wage and Hour report on 14C data from the U.S. Department of Labor found there were 67,288 individuals reported as earning a subminimum wage under active 14(c) certificates held by community rehabilitation providers (CRPs). That's a [46 percent](#) decline since 2018.

In September of 2020, the U.S. Commission on Civil Rights issued a report titled "[Subminimum Wages: Impacts on the Civil Rights of People with Disabilities.](#)" The report notes that the practice of paying a subminimum wage resulted in some workers being sequestered in workshops away from the regular workforce. According to the report, about 1,500 of those workshops remain nationwide, employing more than an estimated 100,000 people with disabilities. The report further notes that employees with disabilities working at companies that pay the subminimum wage earn \$3.34 per hour on average and work about 16 hours a week. That equates to \$214 a month, which is 20 percent of the federal poverty threshold.

To date, Alaska, Hawaii, California, Colorado, Delaware, Illinois, Maine, Maryland, Minnesota, Nevada, New Hampshire, Oregon, Texas, and Washington have eliminated subminimum wages for people with disabilities. Currently, legislation is pending in Georgia, North Carolina, Missouri, New Mexico, New York, South Carolina, and Virginia to eliminate or modify the payment of subminimum wages to disabled persons.