STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
DIVISION OF WORKFORCE SERVICES
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Workforce Services Policy – Workforce Services (SCSEP Participant Wage Policy) - WIOA

Effective Date: November 2016
Duration: Indefinite

Subject:
Minimum Wage Requirement for Senior Community Service Employment Program (SCSEP) Participants

Purpose:
The purpose of this policy is to provide guidance to SCSEP grantees and subgrantees and participants concerning the minimum wage requirement for eligible SCSEP participants.

Scope:
Office of the Governor, Tennessee Department of Labor and Workforce Development (TDLWD), Tennessee Department of Economic and Community Development (TDECD), Tennessee Department of Education (TDOE), Tennessee Eligible Training Providers (TTPLs), Department of Human Services (TDHS), Adult Education (AE), Rehabilitation Services (RS), Office of Registered Apprenticeship (RA), State Workforce Development Board (SWDB), Division of Workforce Services (WFS), Regional Council (RC), American Job Center (AJC), American Job Center Operator (AJC Operator), American Job Center Access Point (AJC Access Point), Workforce Innovation and Opportunity Act (WIOA), Local Workforce Development Boards (LWDBs), Chief Local Elected Official (CLEO), Local Workforce Development Areas (LWDAs), other Workforce System Subrecipients (Subrecipients), Workforce System Partners (Partners)

References:
Section 641.565 (a) (2) of the SCSEP final rules states that the highest applicable required wage for SCSEP participants is either the minimum wage applicable under the Fair labor

Standards Act of 1938; the State or local minimum wage for the most nearly comparable covered employment; or the prevailing rate of pay for persons employed in similar public occupations by the same employer. (See Federal Register: September 1, 2010 (Volume 75, Number 169)).

Background:
In 1938, the Fair Labor Standards Act instituted a Federal minimum wage of 25 cents per hour. Since then Congress has raised the minimum wage multiple times.

Instructions:
SCSEP is a work-training program targeting low-income, unemployed, older individuals. The program promotes community-service activities strengthening the participant's skills in an effort to move that participant from subsidized training to unsubsidized employment.

Effective immediately, all grantees and subgrantees must make adjustments to pay the minimum-wage rate to SCSEP participants for their time spent in orientation, training and on community-service assignments. Since Tennessee does not have a minimum-wage requirement, for the purpose of this program all SCSEP participants will be paid the Federal minimum wage of $7.25 while they actively participate in SCSEP host agency training. Such activities include those offered by American Job Centers, in an effort to help SCSEP participants enter unsubsidized employment at wages comparable to other employees in the same positions. SCSEP is a training program and therefore participants are not considered employees of the subgrantee or their host agency while participating in the program.

The following are unallowable costs under SCSEP:

1) Compensation or payment for unused benefits such as sick leave or holidays
2) Payment into a retirement system
3) Cost of pension benefits

Contact:
For any questions related to this policy, please contact Nicholas Bishop - Director of Compliance and Policy for Workforce Services at Nicholas.Bishop@tn.gov

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Sterling van der Spuy, Administrator