

## Labor Standards Notice: Living Wage Requirements

Toledo Municipal Code Chapter 187 mandates that all vendors awarded over \$10,000 in contracts or over \$100,000 in financial assistance from the City, per year, ("Recipients") meet minimum compensation levels for their employees. The Living Wage statute covers any person who is an employee of Recipients working directly on or under a contract with the City.

Recipients must pay their employees a "living wage" of no less than \$17.00\* per hour, or 110% of the annually updated federal poverty level for a family of four, whichever is greater. In addition, Recipients must make available single coverage health benefits that do not cost their employees more than 15% of their monthly wages, excluding probationary employees within an established probationary period that cannot exceed sixty (60) work days. If the Recipient does not provide single coverage health benefits, the Recipient shall pay a living wage of no less than \$20.09\* or 130% of the annually updated federal poverty level for a family of four, whichever is greater.

The following are exempt from Living Wage requirements:

- 1) contractors or subcontractors with fewer than 25 employees;
- 2) financial assistance recipients with fewer than 50 employees;
- 3) recipients of Community Development Block Grant funding;
- 4) seasonal employees;
- 5) interns;
- 6) nonprofit organizations whose sole purpose is to provide cultural, social or educational services;
- 7) organizations whose primary mission is to provide job readiness and training services, and whose sole purpose of requesting funding is to provide those services;
- 8) businesses that pay their employees the prevailing wage rate, or pay their employees pursuant to the Davis-Bacon Act;
- 9) volunteers;
- 10) contractors, subcontractors, or employees of financial assistance recipients working on a project which the Mayor has determined is crucial to the economic development of the City.

No more than two exemptions, per calendar year, under subpart (10) above are permitted.

Recipients are required to post and provide a notice to their employees notifying them that they may be subject to the Living Wage statute and the current living wage applicable, with or without single coverage medical benefits. Retaliation against employees who claim or report violations is prohibited.

A Recipient who violates any Living Wage requirements shall have thirty (30) days to come into compliance. If, after those thirty (30) days, the Recipient remains out of compliance, the City may terminate the contract and pursue any available legal remedies. If a Recipient violates the Living Wage requirements twice, the City shall terminate all contracts already in force, and that Recipient shall be prohibited from contracting with, or receiving financial assistance from the City for a period of five (5) years.

Living Wage requirements are more fully described at Toledo Municipal Code § 187.36 - 187.43. The key definitions are set forth below:

"Contractor" means any entity that enters into a contract with the City to provide goods or services in excess of \$10,000, or any entity that enters into multiple City contracts in a calendar year that exceed \$10,000 in total.



“Employee” means any individual who may be required or directed by an employer, in consideration of direct or indirect financial gain or profit, to engage in any employment.

“Employer” means any contractor or subcontractor who employs at least 25 employees on the payroll within the last quarter prior to the effective date of the contract, or any financial assistance recipient who employs at least 50 employees on the payroll within the last quarter prior to the effective date of the financial assistance.

“Subcontractor” means any person not an employee that enters into a contract with (1) a contractor to assist the contractor in performing the contract or (2) a financial assistance recipient to assist the recipient in performing the work for which the assistance was given.

“Volunteer” means a person who renders aid, performs a service, or assumes an obligation without compensation.

“Seasonal” means any individual who works a certain regular season or period of the calendar year, for a maximum of one thousand two hundred eighty (1,280) hours performing the same work or activity limited to that season, or an individual who works as a school crossing guard.

“Intern” means any college or university, full-time student enrolled in a two- or four-year degree program, and who works on special projects in connection with his or her field of study; hours worked do not exceed 1500 hours per calendar year, and termination of the internship occurs no later than 3 months after graduation from the college or university.

“Person” means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts. them that they may be subject to the Living Wage statute and the current living wage applicable, with or without single coverage medical benefits. Retaliation against employees who claim or report violations is prohibited.