

H.R. 188, Transitioning to Integrated and Meaningful Employment Act (TIME Act) Sponsored by Rep. Gregg Harper (R-MS)

H.R. 188, the Integrated and Meaningful Employment Act (TIME Act), was introduced by Rep. Gregg Harper (R-MS) and has 16 bipartisan cosponsors. The purpose of the bill is to phase out special wage certificates under the Fair Labor Standards Act of 1938, under which individuals with disabilities may be employed at subminimum wage rates. The TIME Act directs the Secretary of Labor to phase out issuing permits to companies that would allow individuals with disabilities to be paid at lower than minimum wage.

BACKGROUND

Current Federal law allows entities that employ workers with disabilities to pay their disabled workers at rates that are lower than the Federal minimum wage. This practice dates back to the 1930s, when there were virtually no employment opportunities for disabled workers in the mainstream workforce. While some employers provide rehabilitation and training to disabled workers to prepare them for competitive employment, the fact that employers can pay their workers less than the Federal minimum wage gives them an incentive to exploit cheap labor provided by their disabled workers rather than to prepare those workers for integrated employment in the mainstream economy. Goodwill operations have been documented to pay disabled workers far less than minimum wage, in some cases less than 50 cents per hour. Goodwill recently opened a \$14 million 50,000 square-foot laundry in Miami that can process up to 40 million lbs. annually on two shifts. They have already taken customers away from TRSA member operators due to their ability to pay such low wages. At the same time, Goodwill-run businesses, including commercial laundries, generate nearly \$5 billion per year.

TRSA POSITION

TRSA wants to make sure that any nonprofit agency that competes for business with private-sector companies, obeys all applicable tax laws and regulations associated with running a business that specializes in employing people with disabilities. TRSA will work to close the legal loophole that allows such non-profits to pay subminimum wages, and urge the IRS to limit the rights of tax-exempt organizations to carry on a commercial enterprise in the guise of training workers with disabilities.

ACTION

Ask your Congressman to cosponsor HR 188 the TIME Act.