



**CERTIFICATE AUTHORIZING SPECIAL MINIMUM WAGE RATES
UNDER SECTION 14(c) OF THE FAIR LABOR STANDARDS ACT**

Certificate Number: **04-03248-S-039**

For Branch Location:

**MURDOCH DEVELOPMENTAL CENTER
P.O. BOX 3000
BUTNER, NC 27509-3000**

**MURDOCH DEVELOPMENTAL CENTER
VOCATIONAL ENTERPRISES
1600 EAST C STREET
Butner, NC 27509**

Type of Certificate:

**Community Rehabilitation Program
(Work Center)**

This special certificate authorizes the employment of workers with disabilities in accordance with the requirements of 29 CFR Part 525, effective 08/01/2018.

This certificate will remain in effect until **07/31/2020** provided that all applicable provisions of the Fair Labor Standards Act, the Walsh-Healey Public Contracts Act, the McNamara-O'Hara Service Contract Act, and the Contract Work Hours and Safety Standards Act and the regulations issued pursuant thereto are fully complied with. If an application for renewal has been properly and timely filed with the Wage and Hour Division prior to **07/31/2020**, this special minimum wage certificate will remain in effect until the application for renewal has been granted or denied.

The enclosed certificate does not constitute a statement of compliance by the Department of Labor nor does it convey a good faith defense to the employer should violations of the Fair Labor Standards Act, the Walsh-Healey Public Contracts Act, the McNamara-O'Hara Service Contract Act, or the Contract Work Hours and Safety Standards Act occur.

Please contact the following Wage Specialist should you have any questions regarding the issuance of this certificate:

Name of wage specialist: John Ferrin

Phone: 312-596-7202

See the reverse of this certificate and the applicable regulations for further information.

NOTICE TO WORKERS WITH DISABILITIES PAID AT SPECIAL MINIMUM WAGES

The Fair Labor Standards Act (FLSA) provides that workers with disabilities whose disabilities impair their ability to perform the type of work being done in the establishment may be employed at wage rates below the minimum otherwise required by the FLSA. Such employment is permitted only under certificates issued by the Department of Labor and must reflect the productivity of the individual worker as related to the productivity of a worker who does not have disabilities for the work being performed, and the wages being paid to experienced workers performing the same or similar work in the vicinity. Such wages are referred to as "commensurate wage rates." This establishment has a certificate authorizing the payment of commensurate wages to workers with disabilities. Workers who do not have disabilities for the work being performed, including workers who may otherwise have disabilities, must receive at least the statutory minimum wage.

For purposes of payment of commensurate wages under a certificate, a worker with a disability is defined as an individual whose earning or productive capacity is impaired by a physical or mental disability, including those relating to age or injury, for the work to be performed. Disabilities which may, but will not necessarily, affect productive capacity include blindness, mental illness, mental retardation, cerebral palsy, alcoholism, and drug addiction. The following, taken by themselves, do not constitute disabilities for purposes of paying commensurate wages: educational disabilities, chronic unemployment, receipt of welfare benefits, nonattendance at school, juvenile delinquency, and correctional parole or probation.

Each worker with a disability, and where appropriate, the parent or guardian of such worker, shall be informed orally and in writing by the employer of the terms of the certificate under which such worker is employed.

Complaints or questions regarding the terms and conditions of employment under a certificate may be directed to the Wage and Hour Division, U.S. Department of Labor. Action will be taken to address an individual's concerns, including where appropriate, a formal investigation of the employer. Workers with disabilities paid at special minimum wages may also petition the Administrator of the Wage and Hour Division of the U.S. Department of Labor for a review of their wage rates by an Administrative Law Judge. No particular form of petition is required, except that it must be signed by the worker with a disability or his or her parent or guardian and should contain the name and address of the employer. Petitions should be mailed to: Administrator, Wage and Hour Division, U.S. Department of Labor, Room S-3502, 200 Constitution Avenue, N.W., Washington, D.C., 20210.

Wage and Hour Representative:

Nicole Howard

Title:

Certification Program Manager

Date Certificate Printed

07/13/2018

Cert. ID: 206880

1. **COMMENSURATE WAGE RATES**

- a. **PIECE RATE PAYMENTS.** Workers with disabilities (including patient workers in hospitals or institutions) employed on a piece rate basis must be paid not less than the prevailing piece rate paid experienced employees who do not have disabilities for the work to be performed engaged in essentially the same type of work in the vicinity. In the absence of established piece rates for similar work, time studies or other tests may be used to establish piece rates.
- b. **HOURLY RATE PAYMENTS.** Workers with disabilities (including patient workers in hospitals or institutions) employed on an hourly rate basis must be paid wage rates at least commensurate with the prevailing hourly wage rate paid experienced employees who do not have disabilities for the work to be performed in the vicinity for essentially the same type, quality and quantity of work.

2. **CONTRACTS SUBJECT TO THE McNAMARA-O'HARA SERVICE CONTRACT ACT.**

1. This certificate extends authority to pay commensurate wages to workers with disabilities performing work subject to the McNamara-O'Hara Service Contract Act (SCA) but not less than the minimum wage rates specified below:
 - a. **MINIMUM WAGE.** The SCA wage determination incorporated in a service contract with the Federal Government or the District of Columbia will specify the prevailing minimum wage rates and fringe benefits which are to be paid to each of the classes of service employees performing covered SCA contract work or work necessary to the performance of the contract. Workers with disabilities shall be paid commensurate wage rates based on the applicable SCA wage determination.
 - b. **FRINGE BENEFITS.** All workers with disabilities who perform work on contracts subject to the SCA or who perform work necessary to the performance of the contract shall be paid fringe benefits in full as stated on the applicable SCA wage determination and in accordance with the provisions of 29 CFR Part 4.
 - c. **VIOLATIONS OF THE SCA PROVISIONS.** Failure to comply with these SCA provisions may result in the withholding of funds to cover unpaid wages and debarment from future Federal contracts.
 - d. **COVERAGE OF OTHER EMPLOYEES.** If a certificate holder is providing any services (other than linen supply service), subject to the SCA, those workers in the establishment in which the services are being performed who are not performing the service work must be paid in accordance with the applicable provisions of the FLSA. This holds true even where the non-service work would not otherwise be subject to the FLSA. Any questions regarding this requirement should be addressed to the nearest office of the Wage and Hour Division.

3. **OVERTIME REQUIREMENTS.**

- a. **FAIR LABOR STANDARDS ACT (FLSA).** Persons covered by this Act, unless exempt, shall be paid not less than ONE AND ONE-HALF TIMES THEIR REGULAR RATES OF PAY AFTER 40 HOURS OF WORK IN A WORKWEEK.
- b. **WALSH-HEALEY PUBLIC CONTRACTS ACT (PCA).** Persons covered by this Act, unless exempt, shall be paid not less than ONE AND ONE-HALF TIMES THEIR REGULAR RATES OF PAY AFTER 40 HOURS IN A WORKWEEK.
- c. **McNAMARA-O'HARA SERVICE CONTRACT ACT (SCA).** Persons covered by this Act, unless exempt, shall be paid overtime in accordance with the terms of the FLSA or the Contract Work Hours and Safety Standards Act (CWHSSA) for all hours worked over forty in a workweek.

4. **RECORD KEEPING REQUIREMENTS.** In addition to the records required by Regulations 29 CFR Part 516, each certificate holder shall keep those records required by Regulations 29 CFR Part 525.16, as applicable, including but not limited to:

- a. **DISABILITY** - showing the nature of the disability of each worker employed at a commensurate wage.
- b. **PRODUCTIVITY** - showing the productivity of each worker with a disability or patient worker on a continuing basis or at periodic intervals (not to exceed 6 months in the case of workers paid hourly wage rates), including documents explaining how the productivity of the workers with disabilities not paid a piece rate is determined.
- c. **PREVAILING WAGE RATES** paid in the vicinity to experienced workers who do not have disabilities for the work to be performed (updated at least every 12 months).
- d. **PRODUCTION STANDARDS** and supporting documentation, including work measurements.

5. **CHILD LABOR.** Minors younger than 18 years of age must be employed in accordance with the child labor provisions of the FLSA. No person under 16 may be employed in manufacturing or processing or on a PCA contract.

6. **COMPLIANCE WITH HIGHER STANDARDS.** No provisions of this certificate shall excuse noncompliance with any other Federal, State, or local law or ordinance establishing higher standards.

7. **REVIEW OR CANCELLATION.** This certificate is issued without prejudice to the rights of any party to petition for review as provided in Regulation 29 CFR Part 525. The terms of this certificate may be amended for cause upon the request of the certificate holder, or worker with a disability or the parent or guardian of such worker or upon the initiative of the Administrator or the Administrator's authorized representative. This certificate is revocable by the Administrator or the Administrator's authorized representative for cause.

8. **EXPIRATION.** This certificate will expire on the date indicated as will the employer's authority to pay special minimum wages to workers with disabilities unless an application for renewal is properly and timely filed with the Wage and Hour Division prior to the expiration date. If a renewal application is properly and timely filed with the Wage and Hour Division, the certificate will remain in effect until the renewal has been granted or denied.