Transitioning to Integrated and Meaningful Employment Act (HR 188) Fact Sheet

Current labor laws unjustly prohibit workers with disabilities from reaching their full vocational and socioeconomic potential.

**Written in 1938, Section 14(c) of the Fair Labor Standards Act** allows the Secretary of Labor to grant to employers Special Wage Certificates, which permit them to pay workers with disabilities subminimum wages. The original intent was to incentivize for-profit businesses to hire people with disabilities, but the provision has failed to achieve this outcome. Today, less than 5 percent of all certificate holders are for-profit businesses, and a complex network of 2,500 plus nonprofit, “charitable” businesses capitalize on this loophole.[[i]](https://nfb.org/timefactsheet" \l "_edn1" \o ")

**Section 14(c) is based on the false assumption that disabled workers are less productive than nondisabled workers.** In reality, the subminimum wage business model is what is unproductive, not workers with disabilities. Successful employment models, such as supported or customized employment, prove that with the proper training and support, people with disabilities can be productive, valuable employees.[[ii]](https://nfb.org/timefactsheet" \l "_edn2" \o ") Some former 14(c) entities have already transitioned and found that they are more efficient than they used to be.[[iii]](https://nfb.org/timefactsheet" \l "_edn3" \o ") Research shows that the subminimum wage model costs more but actually produces less and that people with disabilities have to unlearn the skills they adopted in subminimum wage jobs.[[iv]](https://nfb.org/timefactsheet" \l "_edn4" \o ")

**14(c)-certificate-holding entities encourage Americans with disabilities to rely on government benefits rather than achieve self-sufficiency**. Over four hundred thousand Americans with disabilities are being paid subminimum wages—some mere pennies per hour.[[v]](https://nfb.org/timefactsheet" \l "_edn5" \o ") Instead of paying taxes, almost all employees who are paid subminimum wages must rely on government assistance such as Supplemental Security Income and Medicaid. Currently, 95 percent of people with disabilities who are paid subminimum wages never obtain the competitive integrated employment they strive for.[[vi]](https://nfb.org/timefactsheet" \l "_edn6" \o ")

**Subminimum wage employment undermines taxpayer investment in job training.** Taxpayers invest billions in vocational rehabilitation, money that should be dedicated to helping people with disabilities discover their full potential using reasonable accommodations. This investment is undercut when people with disabilities are stuck doing mundane, repetitive tasks that do not improve their skillsets. Many 14(c) entities (SourceAmerica) are already receiving preferential federal contracts and public and charitable donations—they should not be allowed to pay people with disabilities subminimum wages.

The Transitioning to Integrated and Meaningful Employment Act:

**Discontinues the issuance of new Special Wage Certificates.** The Secretary of Labor will no longer issue Special Wage Certificates to new applicants.

**Phases out the use of Special Wage Certificates over a three-year period.** Using the following schedule, entities will be able to transition to the proven model of competitive integrated employment:

* Private for-profit entities will have one year to transition;
* Public or governmental entities will have two years to transition; and
* Nonprofit entities will have three years to transition. (These entities make up 95 percent of the Special Wage Certificate holders.)[[i]](https://nfb.org/timefactsheet#_edn1)

**Repeals Section 14(c) of the Fair Labor Standards Act.** Three years after the law is enacted, the practice of paying disabled workers subminimum wages will be officially abolished. This will result in the elimination of segregated, subminimum wage workshops and in the development of integrated and meaningful employment opportunities that encourage people with disabilities to reach their full vocational and socioeconomic potential.

REMOVE BARRIERS TO REAL TRAINING AND MEANINGFUL EMPLOYMENT

**Cosponsor Transitioning to Integrated and Meaningful Employment Act (HR 188)**

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