

Summary Description for Vendors Regarding Manchester's Living Wage Ordinance

Effective February 1, 2010, the Town of Manchester adopted a living wage ordinance. This Summary Description is designed to provide any vendor bidding on a Town of Manchester contract with the key provisions of that ordinance. It does not contain the full ordinance.

LIVING WAGE REQUIREMENT:

The ordinance requires that companies awarded service contracts by the Town of Manchester exceeding \$25,000 in any one fiscal year pay their **Eligible Employees** a **living wage**. Companies considered **Covered Employers** subject to this requirement are defined below. The Town of Manchester has determined that the contract resulting from this bid or Request for Proposals will be subject to the ordinance if the total contract value is \$25,000 or more in any one fiscal year.

The living wage is currently calculated to be \$13.88/hour for employees that are provided comprehensive health care benefits, or \$17.87/hour for employees that are not provided comprehensive health care benefits.

The living wage and health benefit requirements are adjusted annually each July, effective July 1, 2010. Companies will be required to pay the applicable living wage rate in effect during the term of their contracts.

COVERED EMPLOYERS AND EXEMPTIONS:

The ordinance requires that Covered Employers pay the living wage rate. Certain employers are excluded from paying the living wage rate. They are as follows:

- Non-profit organizations as defined by the ordinance, and
- Entities that employ less than 25 eligible employees.

ELIGIBLE EMPLOYEES:

Eligible employees are **all permanent, full time employees** of the company (defined as a normal work week of at least 30 hours), working in the State of Connecticut, **not just those working on the Town contract.** The following are not considered eligible employees for the purposes of the living wage requirement:

- Employees with a normal work week of less than 30 hours.
- Seasonal or temporary employees.
- Employees under the age of 18.

- Employees hired as part of a school-to-work program.
- Students who serves in a work-study program or as an intern.
- Trainees participating for not more than six months in a training program.
- Employees enrolled in a governmentally funded vocational rehabilitation program.
- Volunteers working without pay.
- Employees exempted under Section 14(c) of the Fair Labor Standards Act due to disabilities.
- Any person whose wage rate is subject to a federal or State of Connecticut statute or regulation mandating a prevailing wage rate.

EMPLOYER OBLIGATIONS:

Covered Employers are required to do the following pursuant to the ordinance.

- Certify with the submission of their bid or proposal a) that they will pay the required living wage to eligible employees if awarded a contract, or b) that they are exempt from requirements of the ordinance,
- Upon award, covered employers shall provide the Town a sworn affidavit affirming that all eligible employees of the covered employer working in the State of Connecticut are receiving the living wage and health benefits required by this ordinance.
- This sworn affidavit shall be provided thereafter on an annual basis within 30 days of a request being made by the Town if the duration of the contract exceeds one (1) year.
- Notify their employees of their rights under the Living Wage Ordinance by posting a copy of the ordinance and other materials prepared by the Town of Manchester in locations where employees will see them.
- Make best efforts to attempt to hire residents of the Town of Manchester for all new positions which result from a service contract subject to the ordinance.

PROHIBITED PRACTICES:

- Covered Employers cannot decrease non-wage benefits (such as insurance, vacation, or pension) as a means of complying with the living wage requirements.
- Covered Employers cannot retaliate or discriminate against any employee for making a complaint against the covered employer regarding compliance with living wage requirements.

ENFORCEMENT:

The Town may enforce the provisions of this ordinance by the imposition of fines, suspension of contract or declaring the Covered Employer ineligible for future contracts.

WAIVERS:

The ordinance provides for the waiver of certain requirements in the ordinance. However, no waivers will be considered until the bidding process has been completed and a contract has been awarded. Requests for waivers must be made by the Covered Employer, in writing, to the General Manager. The General Manager shall submit the waiver request to the Board of Directors, which shall have the sole discretion as to whether it is granted.

The above is intended to be a summary of the requirements of the living wage ordinance as they affect covered employers and is provided for informational purposes only. Employers should read the entire Living Wage Ordinance. It can be found online at www.townofmanchester.org on the left side of the page. Click on Document Center, scroll to General Services and click on Living Wage Ordinance.