



December 8, 2023

Dear Service Provider:

Effective January 1, 2024, the minimum wage in California increased from \$15.50 to \$16.00 per hour for all employers. Providers who have negotiated rates and who are currently paying employees less than minimum wage effective January 1, 2024, may request a rate adjustment.

The rate adjustment will be specific to the unit of service that is affected by the new minimum wage. It will only include those costs necessary to increase an employee's actual hourly wage to the minimum wage, as noted above, and mandated employer costs.

Requests for rate adjustments must be completed and submitted on the workbook listed below which you can download from RCOC's website by following the four steps below.

1. Go to RCOC's website at www.rcocdd.com.
2. Click on Service Providers.
3. Click on Resources for Services Providers from the left side drop down menu.
4. Toward the bottom of the page you will find the items listed below under Minimum Wage January 1, 2024:
 - A copy of this letter titled *RCOC Rate Adjustment Notice Due to SB 3 Minimum Wage, January 1, 2024*,
 - DDS' Summary of Rate Changes Due to SB 3 Minimum Wage Increase, January 1, 2024,
 - DDS' Letter Regarding Vendor Rate Adjustments for Minimum Wage Dated December 1, 2023,
 - 2024 Minimum Wage Rate Adjustment Request Workbook for Vendors with Negotiated Rates (MS Excel),

2024 Minimum Wage Rate Adjustment Request Workbook (MS Excel)

The workbook must be completed in its entirety and supporting documentation must be submitted. No exceptions. The instructions for completing the workbook are in the tabs titled *Vendor Worksheet Instructions and Certification Instructions*.

Section A: Program Information, Review Period

- Line 7/5: The review period is three (3) months of consecutive services provided between January 1, 2023 and December 31, 2023. The service period selected must include months that have been billed and paid for verification purposes.

Section B: Employee Wage Information – Supporting Documentation Required

- Columns A, B, C and K: Employee Name, Title, Wage, and Hours Worked. Submit payroll records in order for RCOC to verify the employee name, position title, hourly wage, and hours worked for the review period.
- Column H: Workers' Compensation as a percentage. Submit the entire workers' compensation policy that reflects the classification code/description and premium breakdown.
- Column I: Unemployment Insurance as a percentage. This column must include the following:
 - State Unemployment Insurance (SUI),
 - Employment Training Tax (ETT), and
 - Federal Unemployment Tax (FUTA).

Submit IRS Form 940 that reflects the FUTA information and EDD Form 2088 that reflects the SUI and ETT percentage rates



Section C: Rate Adjustment Calculation

Verify that the Hours Worked for Section B: Column K do not exceed the units billed to RCOC on Section C: Row 4 (Enter Total Number of Units for Review Period).

Upon receipt of a rate adjustment request and applicable supporting documentation, RCOC will review and verify the information and will notify you when your request is processed. Final approval of rate adjustments is contingent upon submission of all required supporting documentation.

Rate adjustment requests must be submitted to RCOC no later than **March 1, 2024**. If you have any questions, please call me at (714) 796-5340 or email me at mreachavero@rcocdd.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Miriam Rea Chavero", written in a cursive style.

Miriam Rea Chavero
Fiscal Coordinator