



December 29, 2020

Dear Service Provider:

Effective January 1, 2021, the minimum wage in California increased from \$13.00 to \$14.00 per hour for employers with 26 or more employees and from \$12.00 to \$13.00 per hour for employers with 25 or less employees. Providers who have negotiated rates and who are currently paying employees less than minimum wage effective January 1, 2021, 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 Current Services Providers from the drop down menu.
4. Toward the bottom of the page you will find the items listed below under Minimum Wage January 1, 2021:
 - A copy of this letter titled Rate Adjustment Notice Due to Minimum Wage, January 1, 2021,
 - DDS' Summary of Rate Changes due to SB 3 Minimum Wage Increase, January 1, 2021,
 - DDS' Letter Regarding Vendor Rate Adjustments for Minimum Wage Dated December 21, 2020,
 - 2021 Minimum Wage Rate Adjustment Request Workbook (MS Excel), and
 - 2021 Minimum Wage Rate Adjustment Request for 896 Supported Living Services.

2021 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 4: Verify that you select the correct option for the number of employees.
- Line 8: The review period is for services provided July 1, 2020 through September 30, 2020.

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 hours billed to RCOC on Section C: Row 4 (Enter Total Number of Units for Review Period).

896 Supported Living Services Only

SLS vendors must complete the 2021 Minimum Wage Rate Adjustment Request for 896 Supported Living Services

- Submit a list of persons served for which minimum wage rate increases are being requested, i.e., the budget reflects a rate below the minimum wage and the worker is being paid below minimum wage.
- Next to the name of the person served, include the name of the worker(s) for which the increase is being requested and the number of hours worked. Submit payroll documentation for September 2020 only.

Upon receipt of a rate adjustment request and 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 31, 2021**. If you have any questions, please call me at (714) 796-5230 or email me at mvasquez@rcocdd.com

Sincerely,

Marta Vasquez
Associate Finance Director