



January 20, 2022

Dear Service Provider:

Effective January 1, 2022, the minimum wage in California increased from \$14.00 to \$15.00 per hour for employers with 26 or more employees and from \$13.00 to \$14.00 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, 2022, 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 workbooks 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, 2022:
 - A copy of this letter titled *RCOC Rate Adjustment Notice Due to SB 3 Minimum Wage, January 1, 2022*,
 - DDS' Summary of Rate Changes Due to SB 3 Minimum Wage Increase, January 1, 2022,
 - DDS' Letter Regarding Vendor Rate Adjustments for Minimum Wage Dated December 17, 2021,
 - 2022 Minimum Wage Rate Adjustment Request Workbook for Vendors Providing ALTERNATIVE Services ONLY (MS Excel),
 - 2022 Minimum Wage Rate Adjustment Request Workbook for Vendors Providing Traditional AND Alternative Services (MS Excel),
 - 2022 Minimum Wage Rate Adjustment Request for 896 Supported Living Services, and
 - 2022 Minimum Wage Worksheet for Vendors Whose Vendored Rate (Including Payroll Taxes) is Below Minimum Wage.

2022 Minimum Wage Rate Adjustment Request Workbooks (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 (The line is different for each workbook.)

- Line 4/5: Verify that you select the correct option for the number of employees.
- Line 8/5: The review period is three (3) months of consecutive services provided between January 1, 2021 and December 31, 2021. 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).

896 Supported Living Services Only

SLS vendors must complete the *2022 Minimum Wage Rate Adjustment Worksheet for 896 Supported Living Services*.

Include names and UCI numbers of persons served who have a budget with a line item for a direct care staff rate that is below the minimum wage based on the number of employees.

Vendors Whose Vendored Rate Is Below Minimum Wage

Vendors Whose Vendored Rate is Below Minimum Wage must complete the *2022 Minimum Wage Worksheet*.

- Fill out the State Unemployment rate reflected on the Employment Development Department (EDD) Form 2088 that reflects the State Unemployment Insurance (SUI) and Employment Training Tax (ETT). **Attach** a copy of the form for verification purposes.
- Fill out the workers' compensation rate. **Attach** a copy of the entire workers' compensation policy that reflects the classification code/description and premium breakdown for verification purposes.

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 31, 2022**. 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