

TO: Local District Commissioners, Medicaid Directors

FROM: Linda LeClair, Director
Bureau of Medicaid Eligibility Operations & Family Health Plus,
Division of Consumer and Local District Relations

SUBJECT: Empire State Wage Act of 2004 - New York State Minimum Wage

EFFECTIVE DATE: Immediately

CONTACT PERSON: Local District Liaison
Upstate: (518) 474-8887 New York City: (212) 417-4500

The purpose of this GIS is to remind social services districts of the upcoming increase in the State's minimum wage.

The Empire State Wage Act of 2004 (Chapter 747 of the Laws of 2004) increased the State hourly minimum wage to \$6.00 per hour effective January 1, 2005 and to \$6.75 effective January 1, 2006. The Act also provides for a final minimum wage increase to \$7.15 effective January 1, 2007. The federal minimum wage remains \$5.15 per hour. The increase in the minimum wage will result in additional income for some households currently in receipt of Medicaid.

The increase in the minimum wage may have budgetary implications for those Medicaid cases whose earnings increase as a result. Medicaid recipients are obligated to report timely any changes in household circumstances. The Medicaid budget must be adjusted prospectively for any significant changes. A significant change is not a threshold monetary amount, but rather is any wage increase or decrease that is expected to last at least thirty days. If a Medicaid recipient experiences a significant change in the amount of earnings, the social services district must obtain verification of the change and recalculate the budget.

Please direct any questions to the Local District Liaison Unit at 518-474-8887 Upstate and 212-417-4500 for NYC.