

Tompkins County Workers' Center Living Wage Certification Criteria: 2021-2023

What is a Living Wage?

We believe that few principles are more basic to our nation than the importance of rewarding work. A job should take you out of poverty, not keep you in it. A “living wage” is the amount that an individual must earn in order to afford basic real costs of living, through a frugal lifestyle, without need for public assistance. The Tompkins County Living Wage is based on figures calculated every two years by Alternatives Federal Credit Union.

The living wage for a single person without dependents in Tompkins County, NY is currently \$31,874.68 a year or \$15.32 per hour for an individual working a 40-hour week for the full year. This figure is derived using the cost for housing (fair market rent for a single bedroom apartment including utilities), transportation (weighted average), food (based on USDA “low cost” food plan), communications (local plan + 30 minutes long distance/month, plus DSL), health care (median cost of a Silver Plan available to the public *after* subsidies received + additional out-of-pocket medical expenses) recreation, savings, miscellaneous plus taxes. The living wage for a family is significantly higher but is not calculated by Alternatives. For details on the Tompkins County Living Wage, go to <https://www.alternatives.org/social-responsibility/impacting-our-community/living-wage-study.html>. For more details about the Workers’ Center’s Business Certification program go to www.TCWorkersCenter/employer.

2021 Living Wage Community Rate

Factor	Annually (pure self pay insurance)
Housing	\$12,576.00
Food	\$2,847.00
Transportation	\$2,670.96
Communication	\$1,092.00
Health care - insurance	\$1556.36
Health care – out of pocket	\$1,154.04
Recreation	\$1,443.84
Savings	\$855.48
Miscellaneous	\$1,908.00
Net Pay	\$26,103.68
Taxes	\$5,771.00
Gross Pay	\$31,874.68
Hourly 40 hours/week, 52 weeks/year	\$15.32

Any employer that pays all employees at least a living wage can receive Certified Living Wage Employer status. The criteria for certification are:

1. The employer must endorse the living wage concept.
2. The employer must pay \$15.32/hour to all regular full and part-time employees, excepting:
 - 2a. An employer may pay a wage that is less than the living wage to youth employed during the summer; to part-time employees who are under 18 years old; to employees who are in a probationary status of no more than 3 months; to employees who are hired on a temporary basis of 3 months or less; or to workers paid by others.
 - 2b. Employers providing health insurance for employees may qualify for a lower Living Wage if the amount that **employees** are required to pay for that coverage is **less than** \$0.75/hour. (See chart above for itemized costs of living.) If a worker is eligible for employer benefits that directly offset this cost of living, this can reduce wages needed to meet the rest. (See other examples of bottom of this document.)

Employee's annual health insurance expense: _____
 (monthly payroll withholding for premium X 12 ≤ \$1,556.36)

+ All other costs of living: \$30,318.32

= Gross Living Wage _____

÷ 52 (weeks/year) ÷ 40 (hours/week) = _____
 Adjusted Living Wage

2c. The Living Wage Business Task Force and Tompkins County Workers' Center Leadership team may consider other benefits *that directly reduce a cost of living represented in the Tompkins County Living Wage* as an offset to wages on a case by case basis. An employer that believes benefits should qualify for this consideration should provide enough detail on the Living Wage Certification application to make a case for why this should apply.

2d. An employer with employees eligible for tips must commit to pay additional direct wages whenever an employee's direct wage plus tips provide earnings less than \$15.32 per hour.

3. The employer must pay \$17.32/hour to all independent contractors to whom you pay an hourly rate (typically an independent contractor would receive a 1099 form from you). The additional wage requirement beyond \$15.32 is meant to cover their individual tax requirements and insurances.
4. An employer may be rejected for certification, or have certification revoked, if there are known health and safety violations, or other violations of labor standards (including wage & hour violations/wage theft, whistleblower retaliation, or violations of union rights), at the discretion of the Tompkins County Workers' Center Leadership Team.
5. Certification is effective from the date it is approved until one year from Alternatives Federal Credit Union's announcement of an updated Living Wage Study. To re-certify, employers must match wages with any changes in the Tompkins County Living Wage that may occur periodically, if necessary, within a year of when the figures are updated by Alternatives Federal Credit Union.

First-time Certified Living Wage Employer applications are reviewed by the Living Wage Business Task Force – which includes businesspeople, non-profit representatives, and community members – and certified by a vote of the Tompkins County Workers' Center Leadership Team (board) at their monthly meeting based on Task Force recommendations.

Applications or questions about living wage certification may be sent to Pete Meyers, TC Workers' Center, 115 E. Martin Luther King, Jr. Street, Ithaca, NY 14850 607-269-0409 pete@tcworkerscenter.org

EXAMPLE 1

	Employee's annual health insurance expense: (monthly payroll withholding for premium X 12 ≤ \$1,556.36)	\$ 1,060.00
+	All other costs of living:	\$30,318.32
=	Gross Living Wage	\$31,378.32
÷ 52 (weeks/year) ÷ 40 (hours/week) =		\$15.08/hour
	Adjusted Living Wage	

EXAMPLE 2

	Employee's annual health insurance expense: (monthly payroll withholding for premium X 12 ≤ \$1,556.36)	\$ 0.00
+	All other costs of living:	\$30,318.32
=	Gross Living Wage	\$30,318.32
÷ 52 (weeks/year) ÷ 40 (hours/week) =		\$14.58/hour
	Adjusted Living Wage	

EXAMPLE 3 (NY State of Health marketplace)

Employee's annual health insurance expense: \$ 1,556.36
(monthly payroll withholding for premium X 12 ≤ \$2,412.80)

+ All other costs of living: \$30,318.32

= Gross Living Wage \$31,874.68

÷ 52 (weeks/year) ÷ 40 (hours/week) = \$15.32/hour

Adjusted Living Wage