



# THE TOWN OF MANCHESTER

41 Center Street, Manchester, CT 06045 • (860) 647-5235

Town of Manchester, CT / The Code / Part II, General Legislation / Chapter 122

## Living Wage

Adopted by the Board of Directors of the Town of Manchester 1-12-2010  
(Former Ch. 212, Living Wage, adopted 4-11-2006, was repealed 8-12-2008)

### § 212-1. Title.

This chapter shall be known as the “Manchester Living Wage Ordinance.”

### § 212-2. Purpose.

The purpose and intent of this chapter is to ensure that employees of the Town of Manchester, or employees of any entity that receives a substantial tax benefit from the Town of Manchester, or employees of any entity that receives substantial compensation by reason of a contract with the Town of Manchester to provide items or services, are paid a wage sufficient for a family of four to live at or above the federal poverty level. This would permit a family to meet basic needs in housing, child care, food, clothing, household items, transportation, health care, and taxes, and thereby reduce that family's dependence on other taxpayer-funded social programs.

### § 212-3. Definitions.

For purposes of this Living Wage Ordinance, the following terms have the meanings indicated:

**COVERED EMPLOYER** — The Town of Manchester, or any individual or entity that is the contracting party pursuant to a service contract entered into after the effective date of this Living Wage Ordinance, or any individual or entity that is the named recipient of a tax benefit approved after the effective date of this Living Wage Ordinance, except that the following shall not be considered covered employers for purposes of this Living Wage Ordinance:

- A. Charitable foundations, charitable trusts or nonprofit agencies or nonprofit corporations, provided that the foundation, trust or nonprofit agency or corporation is exempt from federal income taxation and may accept charitable contributions under Section 501 of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended; or
- B. Any entity that employs fewer than 25 eligible employees.

**ELIGIBLE EMPLOYEE** — A person who is employed by a covered employer, during a period when a service contract or a tax benefit is in effect, who is a permanent employee, working on a full-time basis in the State of Connecticut, with a normal work week of 30 or more hours. The following shall not be considered eligible employees for purposes of this Living Wage Ordinance:

- A. An employee of the Town of Manchester who is a temporary or seasonal employee. For purposes of this Living Wage Ordinance, any employee whose accumulated compensated hours in a calendar year are less than 0.75 FTE shall be considered a temporary or seasonal employee; or
- B. An employee less than 18 years of age; or
- C. An employee who is hired as part of a school-to-work program; or
- D. A student who serves in a work-study program or as an intern in a position that advances the student's career potential; or
- E. A trainee participating for not more than six months in a training program; or
- F. An employee enrolled in a governmentally funded vocational rehabilitation program; or
- G. A volunteer working without pay; or
- H. An employee exempted under Section 14(c) of the Fair Labor Standards Act due to his or her disabilities; or
- I. Any person whose wage rate is subject to a federal or State of Connecticut statute or regulation mandating a prevailing wage rate.

**HEALTH BENEFITS** — Comprehensive family medical coverage which does not require the employee to contribute more than 33% of his or her annual wages towards the payment of the health insurance premiums and deductibles.

**LIVING WAGE** — A minimum hourly wage rate, before taxes and all other employer deductions, which, when paid for 40 hours of work per week, 52 weeks per year, is equal to 115% of the poverty threshold for a family of four, as published annually in the Federal Register by the U.S. Department of Health and Human Services under the authority of Section 673(2) of the Omnibus Reconciliation Act of 1981.

**SERVICE CONTRACT** — Any contract awarded by the Town of Manchester to any individual or entity for services which involves an expenditure of \$25,000 or more in any one fiscal year. The following shall not be considered “service contracts” for purposes of this Living Wage Ordinance:

- A. Any contract for the purchase or lease of goods, products, equipment, commodities or supplies; or
- B. Any contract where services are provided incidental to the purchase, lease or delivery of goods, products, equipment, commodities or supplies; or
- C. Any interlocal cooperation agreements between the Town of Manchester and other governmental entities, or any contract where the Town of Manchester has joined with other municipalities in a regional or collaborative effort to contract with private concerns to provide municipal services.

**TAX BENEFIT** — Any agreement approved by the Board of Directors for a tax credit, tax exemption, tax assessment arrangement or tax abatement for property taxes otherwise payable to the Town of Manchester, with a total value of at least \$25,000.

**TOWN OF MANCHESTER or TOWN** — The government of the Town of Manchester, or any department, board, agency, or commission of the Town of Manchester, but does not include the Manchester Board of Education, its departments, or any entity under the jurisdiction of the Board of Education.

### § 212-4. Living wage and health benefits.

- A. During the term of any service contract, or while any tax benefit is in effect, covered employers shall pay their Eligible Employees no less than a living wage, if health benefits are offered to the eligible employee.
- B. Covered employers must submit satisfactory proof to the Town Finance Department that health benefits have been offered to eligible employees.
- C. If a covered employer elects not to offer health benefits to eligible employees, the covered employer shall pay eligible employees a living wage plus additional wages in lieu of health benefits of \$3.35 per hour.

### § 212-5. Annual adjustments to living wage.

- A. The living wage shall be adjusted annually as necessary to reflect annual changes in the federal poverty threshold.
- B. The amount of the wage payment in lieu of health benefits payable under § 212-4C shall be adjusted annually in proportion to the change in average health benefits costs, if any, as measured by the Consumer Price Index for All Urban Consumers for the Northeast Urban-Size Class B/C for Medical Care over the preceding year, or other appropriate measure of health care cost inflation.
- C. No less than 30 days prior to the commencement of the fiscal year, the Town Finance Department shall calculate the necessary adjustments to the living wage and the amount of the wage payment in lieu of health benefits and shall provide a written explanation and notice to each covered employer of the newly adjusted amounts.
- D. After such adjustment, the living wage and any wage payment in lieu of health benefits shall become effective and shall be paid to any eligible employee within 60 days after receipt of notice by the covered employer.

### § 212-6. Obligations of covered employers.

- A. Covered employers shall, within six months of the commencement of any service contract or the initial receipt of any tax benefit, and thereafter on an annual basis, provide the Town Finance Department with a sworn affidavit affirming that all eligible employees of the covered employer working in the State of Connecticut are receiving the living wage and health benefits required by this chapter.
- B. The Town shall include in all service contracts and tax benefit agreements subject to this Living Wage Ordinance language satisfactory to the Town Finance Department which incorporates all appropriate provisions, obligations and responsibilities, including reporting

obligations, of covered employers under this Living Wage Ordinance.

- C. Every covered employer shall post and keep in a conspicuous place on its premises where notices to employees are customarily posted a copy of this Living Wage Ordinance or other materials promulgated by the Town Finance Department designed to inform employees of their rights under the Manchester Living Wage Ordinance.

### § 212-7. Prohibited practices.

- A. No covered employer will fund wage increases required by this Living Wage Ordinance, or otherwise respond to the provisions of this Living Wage Ordinance, by reducing the health, insurance, pension, vacation, or other non-wage benefits of any of its employees.
- B. A covered employer shall not discriminate in any manner against any employee for making a complaint, participating in the complaint proceedings, or using civil, statutory or collective bargaining remedies to advance their interests under this Living Wage Ordinance. The Town Attorney, or his or her designee, shall investigate allegations of retaliation or discrimination and seek appropriate relief if there is probable cause to believe the allegations to be true.

### § 212-8. Enforcement.

- A. Enforcement of the provisions of this Living Wage Ordinance may be based on complaints of noncompliance by eligible employees or on monitoring for compliance by the Town Finance Department.

- B. Complaint process.

- (1) Any eligible employee who believes his or her employer is not complying with this Living Wage Ordinance may file a complaint in writing with the General Manager within 90 days after the alleged violation.
- (2) Upon receipt of a written complaint under this Living Wage Ordinance, the General Manager shall order an investigation of the complaint, utilizing such resources of the Town of Manchester as may be required to conduct the investigation. During the investigation, the General Manager may request from the covered employer such evidence as may be required to determine whether the covered employer has been compliant. The General Manager shall complete the investigation and make a finding of compliance or noncompliance within 45 days after receipt of the complaint.
- (3) The General Manager shall give notice of his or her findings to the covered employer. The covered employer may dispute a finding of noncompliance by requesting a hearing from the General Manager within 30 days of the finding. A hearing shall be conducted by the General Manager or his or her designee within 30 days after receipt of the request. The General Manager or his or her designee shall affirm or reverse the finding based on evidence presented at the hearing by the Town Finance Department and the covered employer.
- (4) If at any time during the complaint proceedings, the covered employer voluntarily makes restitution of wages or benefits not paid to the eligible employee, or otherwise remedies the violation alleged, then the General Manager shall thereafter dismiss the complaint against the covered employer.

- C. Remedies.

- (1) If, after notice of finding and hearing, a covered employer is found to be non-compliant, the covered employer shall correct violations and make restitution of wages retroactively to the beginning of the period of noncompliance within 15 days, unless otherwise extended by way of agreement between the covered employer and Town Finance Department.
- (2) If violations are not corrected within 15 days or within the time frame otherwise agreed upon between the Town Finance Department and the covered employee,

the General Manager or his or her designee may do one or more of the following:

- (a) Freeze or suspend the covered employer's service contract, until the Town Finance Department determines that the violations have been corrected;
  - (b) Revoke the covered employer's tax benefit;
  - (c) Designate the covered employer as ineligible for future tax benefits or service contracts for three years or until all restitution has been paid, whichever is longer.
  - (d) Impose a penalty for the violation, said penalty to be not less than \$1 and not more than \$100. Each day that any such violation shall continue shall constitute a separate offense and shall be punishable as such.
- (3) Liability for payment of a living wage shall rest solely with the covered employer. The Town of Manchester shall not be held liable in a civil action or administrative proceeding for lost wages or other economic losses resulting from the failure to pay a living wage, except when it acts in the capacity of a covered employer.

### § 212-9. Waivers and exemptions.

- A. A covered employer may request that the Board of Directors grant a waiver, in whole or in part, of any of the requirements of this Living Wage Ordinance. A request for waiver shall be made in writing to the General Manager.
- B. The General Manager may apply for a special waiver where payment of the living wage by a covered employer will substantially curtail the services provided by the Town, have an adverse financial impact on the Town, or is not in the best interests of the Town. A request for a special waiver shall be forwarded by the General Manager to the Board of Directors for action in the form of a resolution.
- C. Where the Town Attorney renders an opinion that the application of this Living Wage Ordinance to a particular service contract or tax benefit would violate a specific state or federal statutory, regulatory, or constitutional provision or provisions, that particular service contract or tax benefit may be exempted from the application of this Living Wage Ordinance, provided that the Board of Directors approves the exemption on that basis. A request for an exemption shall be forwarded by the General Manager to the Board of Directors for action in the form of a resolution.

### § 212-10. Annual reporting to Board of Directors.

Not later than 90 days after the commencement of each fiscal year, the Town Finance Department shall forward a living wage report to the Town Board of Directors, indicating for each service contract or tax benefit in effect during the previous fiscal year:

- A. A general description of the service contract or tax benefit and the nature of the covered employer; and
- B. Verification that all of the eligible employees of each covered employer are receiving the living wage and health benefits required by this chapter.
- C. The cost to the Town in terms of increased payroll expenditures for persons employed by the Town who receive a living wage but, in the absence of this Living Wage Ordinance, would not be eligible to receive a living wage.
- D. To the extent feasible, an estimate of the total Town employee hours dedicated to implementation, oversight and enforcement of the provisions of this Living Wage Ordinance.

**§ 212-11. First source hiring of Town residents.**  
Covered employers shall make best efforts to attempt to fill all new positions which result from a service contract or tax benefit with residents of the Town of Manchester.