



FOR US



living
wage
standard

**LIVING WAGE EMPLOYER
STANDARD GUIDANCE**

Version 1.0.0 – November 15, 2021

LIVING WAGE FOR US, INC.



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1 About this Guidance

This guidance document is a complement to the For US living wage standard and provides more detailed information on the necessary steps to achieve the standard and qualify to use the “Living Wage For US Employer” and “Leading Living Wage For US Employer” seals, as well as the optional “Plus” add-on designation. It focuses on the required sections of the For US living wage standard. This constitutes tiers I and II of the standard. The “Plus” add-on designation is optional and this guidance includes the list of benefits that may be accounted for in the designation. Additional benefits may be added to this guidance in subsequent updates.

For US living wage standard guidance shall be revised annually and will provide opportunities for ongoing adjustments before a typical standard review cycle which entails a broader process and stakeholder consultation. Its revisions shall also incorporate improvements based on feedback from a variety of interested stakeholder groups and on the learned experience of implementation or to adjust for the impacts of new government policies on the workforce and overall costs of living across the U.S.

2 Achieving the Standard – Internal Assessment and Process

The specific workers included in an internal analysis and assessment process should adhere to the standard requirements laid out in section 5.4 – Scope. Additionally, if a For US certified member acquires a new entity, a grace period will be awarded to achieve For US living wage standard tier I status for that newly acquired entity¹. After that grace period, the entity must move according to the process described below toward the status already achieved by the parent company, assuming the entire parent company is certified rather than individual brands. Should this not be achieved, the parent company will be considered not in conformance with the standard and follow an approved process for non-conformities.

To begin a journey toward payment of a living wage for all employees, on-site subcontracted workers and contracted workers foundational to the business, an employer must take two initial steps:



1. Establish a floor level wage according to the rates required and listed in the living wage rates map at www.livingwageforus.org. These account for only cash wages (base wage plus expected cash bonuses), and range from \$15/hr to \$18/hr depending on the cost of living assessed in each commuting zone across the U.S. These levels have been set so as to not fall below the living wage necessary for an individual in locations where a local living wage certification platform is operating. This will along with the commitment to grow toward a living wage at the average

¹ The term of this grace period shall be set according to the size and complexity of the acquisition. For US members currently using a living wage seal must submit a plan and timeline for bringing the new entity into compliance and establish a reasonable timeframe for such action in partnership with For US staff.



rate of inflation plus 3% annually will qualify an employer to be certified as a “Living Wage For US Employer” and use the accompanying seal.

2. Establish a system for measuring and improving overall remuneration packages (cash wages plus benefits) to assess and close the gap to a living wage. This system requires an analysis of regular wages, cash bonuses, and in-kind benefits that should be conducted using the living wage self-assessment tool produced by For US. Each element of remuneration may contribute to the payment of a living wage according to rules and guidelines detailed in this document.

The For US beta self-assessment tool will be provided by request to each potential For US member to record current pay structure and benefit information. For US will use these details to provide each employer with an analysis of current gaps to living wages for the lowest paid employees at all employer locations. This tool also allows employers to analyze the impact of providing new benefits to achieve a living wage and shall be combined with guidance based in research provided by For US on the most cost effective ways for an employer to ensure a decent livelihood for all workers.

This guidance document will strive throughout to clarify the principles that govern how and where each type of remuneration may count toward achieving living wage payment for workers. The desk review by For US staff, and resulting report, will give a thorough understanding of all credits, and reasoning behind those credits, for benefits and bonuses above the base wage, counting toward a living wage.

The process an employer must follow for establishing whether they have achieved tier I “Living Wage For US Employer” status is fairly simple and straightforward. It requires that:

1. The employer pay the appropriate base cash wage, combining expected bonuses and base wages. Base wages fall in one of 4 bands between \$15/hr and \$18/hr, depending on the cost of living in a particular location. The band specific to each location of an employer can be viewed at www.livingwageforus.org.
2. The employer commit to closing the gap to a living wage at the rate of inflation plus 3% each year. Or, if a large adjustment is made in one year, at the average rate of inflation plus 3%.
3. The employer adhere to the other provisions of the standard, inclusive of having a plan and taking action to move categories of workers not included in the year 1 requirements e.g. subcontracted workers essential to the business, to a living wage within the time frame delineated in the standard.

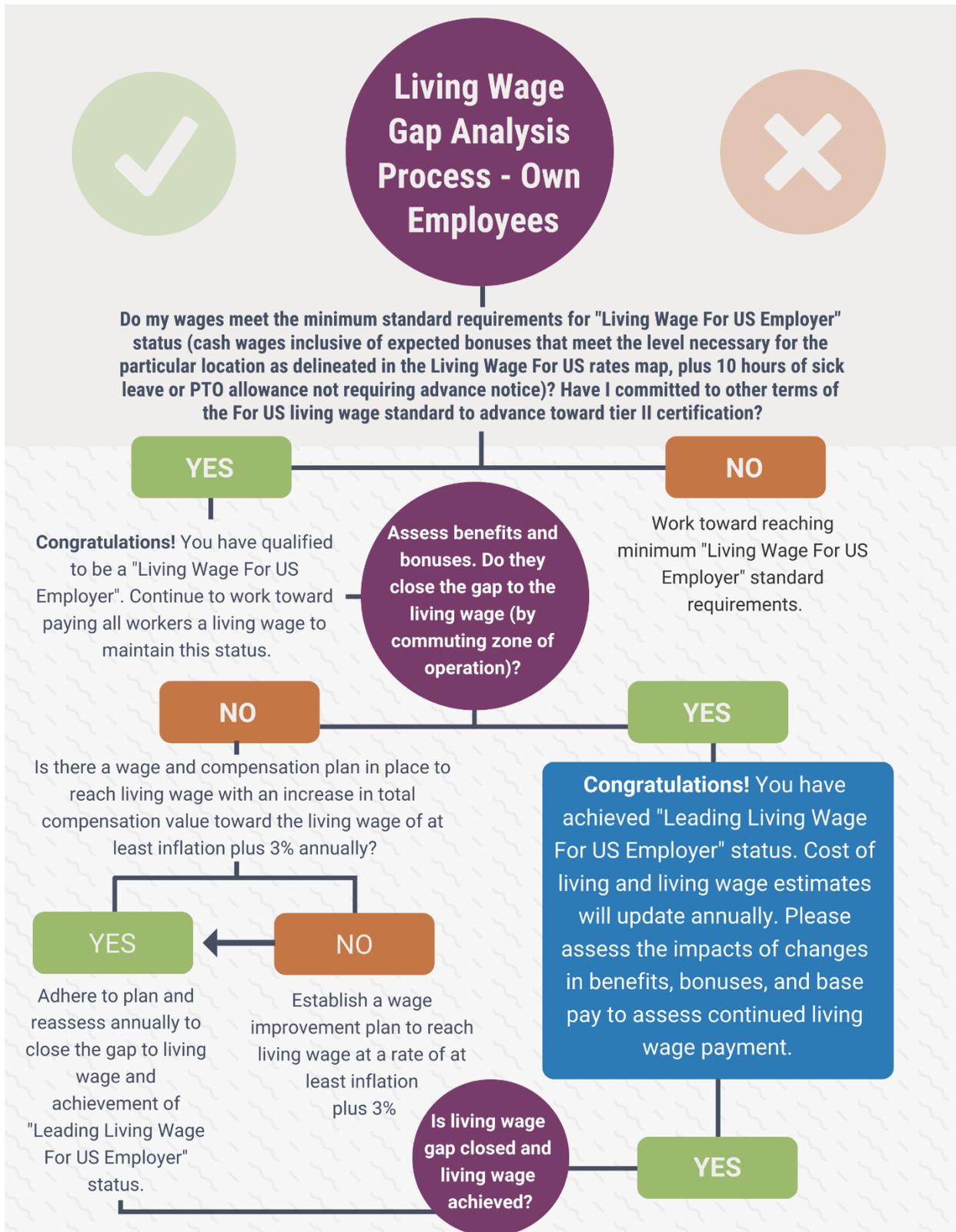
The initial process an employer shall follow for assessing “Leading Living Wage For US Employer” status is provided in figure 1 below. Each step in this overall process is detailed separately in this document.

Regular on-site subcontracted workers and contracted workers foundational to the operations of the business, shall be included in living wage payment through separate mechanisms and processes by year 3 of membership. Terms for ensuring a living wage for these workers are detailed in section 2.5 of this guidance.



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Terms for ensuring franchise workers a living wage shall be addressed through the verification and compliance process. In cases where franchise workers are involved, there will always be an independent review by the multi-stakeholder advisory council of For US, that includes labor representatives, employer representatives, and civil society representatives.





2.1 Workers Covered by the For US Living Wage Standard

The Living Wage applies to all directly employed staff, as well as regularly contracted staff that are objectively a foundational part of the business model. By “foundational” we mean operations that are at the heart of the business model, and without which the business would not be viable, as well as on-site services such as janitorial, cafeteria and security. However, initial standard requirements only apply to directly employed staff. Separate directions on addressing contracted staff are included in sections 2.5 of this document.

For US 2021 Standard does not extend to supply chain relationships. Workers are considered “contracted staff” and covered by For US living wage standard as described in guidance section 2.5 if they work 2 or more hours a week, for 8 or more consecutive weeks a year for a For US employer. The For US living wage standard does not apply to contractors that supply your organization with products, materials, commercial off-the-shelf items, etc.

2.2 Becoming a “Living Wage For US Employer”

The initial bar for joining For US as a “Living Wage For US Employer” is to ensure that all workers employed directly receive a minimum of \$15, \$16, \$17, or \$18/hr in regular wages and expected cash bonuses depending on the band in which the worker is located and the cost of living in that area. In addition, all workers must have the ability to take up to 10 days of paid sick time per year in order to stay home when ill (inclusive of mental health) or care for sick family members. PTO may count towards sick time only if it can be requested and taken on short notice without penalty.

For workers paid at a piece rate, employers should calculate how much money is typically earned per hour and use that as the hourly pay value. For positions where tips are considered a significant part of compensation, employers should track typical tips earned per hour and add that amount to base pay to establish typical pay. These figures must be tracked monthly and any employee not earning the necessary combined minimum cash wages for their employers’ stage in their living wage certification journey, must receive bonus pay to elevate their pay to the applicable rate.

Once this level of pay has been achieved, an employer must analyze all elements of remuneration to assess whether additional wage increases are necessary to maintain “Living Wage For US Employer” status and ultimately reach a living wage and “Leading Living Wage For US Employer” status. This next step detailed in section 2.3 below shall be conducted with the assistance of For US to ensure a clear understanding and correct evaluation of current benefits and bonuses that may be counted toward a living wage.

Alternatively, if a collective bargaining agreement is in place for workers, upholding that collective bargaining agreement will qualify an employer for membership in For US and use of the “Living Wage For US Employer” seal, even if the initial banded base wage requirement has not been reached. However, all standard requirements for progress toward a living wage must still be adhered to for the status to be maintained.



Lastly, in addition to the do no harm provisions of the standard, no For US member may be in persistent or unremediated violation of U.S. workplace or employment law, or of the UN Guiding Principles on Business and Human Rights, inclusive of the 8 Fundamental ILO Conventions, including conventions 87 and 98, and as included in the Declaration on Fundamental Principles and Rights at Work. For US will be particularly concerned with violations of the National Labor Relations Act, Fair Labor Standards Act, and Occupational Safety and Health Act or related state laws, and with allegations of retaliation against workers for raising concerns or exercising workplace rights. In particular, employers should note that the National Labor Relations Act prohibits employers from using benefits to discourage support for and/or participation in union activity. As such, membership in For US and pursuit of “Living Wage For US Employer” status must not be offered to workers as an alternative to unionization and must not be discussed with workers during any conversations regarding their freedom of association. In order to ensure clarity around the relationship between For US and collective bargaining, participating employers will be required to publicly affirm in writing their respect for freedom of association and collective bargaining, in compliance with federal and international law. This may be accomplished in annual sustainability reports, websites, or other mechanisms.

2.3 Gap Analysis to a Living Wage

Assessing current wages, benefits, and bonuses against living wage benchmarks is essential in determining the gap between overall remuneration packages and living wages. The For US living wage standard sets out principles that guide which benefits and non-regular payments may count toward a living wage. This document section 3.0 further explores types of remuneration that would typically be counted toward a living wage, and those that would not (as well as reasoning that underlies these distinctions), in order to help employers understand overall assessments.

However, all For US member employers will receive access to a self-assessment tool wherein the entirety of the remuneration structure may be accounted for as part of the overall self-assessment process. An employer should complete this self-assessment and return it to For US.

Assessments should be completed separately for each unique employee type and geographic location with a differentiated base level remuneration package. If all geographies and positions that potentially fall below a living wage across the U.S. receive the same base remuneration package/structure, only one assessment must be completed and will be considered representative of all locations. In this case, the assessment should include a listing of all zip codes in which the employer maintains a work site. This enables For US staff to create living wage gap analyses that correctly adjust for variations in cost of living.

For US staff will then review the assessments in a desk audit and produce a gap analysis with detailed information on portions of the remuneration plan that contribute to a living wage and data on any remaining gap to a living wage according to each location of the work site. Additionally, this personalized analysis will be accompanied by information on high costs of living that might be defrayed at a much lower cost to the employer through the implementation of additional benefits.



2.4 Employer Living Wage Plan

Once a For US member receives their living wage gap analysis, they must build a plan to close the wage gap (should it exist) through the introduction of additional benefits, bonuses, or base pay increases in such a manner that does not harm the overall well-being and interests of employees and subcontractors (see Annex A for For US's "Do No Harm" Guidance). Wages must increase in the plan at a minimum rate of inflation +3% until the living wage has been reached and "Leading Living Wage For US Employer" status is achieved. Plans must be adjusted annually when new living wage rates are published. In this way, the living wage targets are adjusted to account for increases in cost of living for any reason. It is possible that living wage rates may be adjusted downward in a year as well, if for example, public policies and benefits (i.e. provision of free pre-k) drive down the cost of living for a family.

The employer living wage plan is then confidentially shared with For US staff who will assess and provide feedback on the plan as a commitment to achieving "Leading Living Wage For US Employer" status.

Each year the employer will report back to For US on progress and receive updated values for the living wage to make any necessary adjustments toward hitting the living wage target. The figure on the page below provides an example of the type of returned tracking plan that might be provided from For US to illustrate the employer's provided plan to reach a living wage.

Example Illustration of what an Internal Plan might Cover:



Achieving a Living Wage for All Workers

This is a sample plan for showing how an employer might commit to achieving a living wage





2.5 Assessing Contracted Staff Pay

Cognizant of lag times necessary in contractual relationships, the For US living wage standard does not require an initial minimum pay for sub-contracted workers at the “Living Wage For US Employer” level of the standard (tier I), but to maintain “Living Wage For US Employer” status, sub-contracted workers must be provided a living wage or given the option to become permanent staff at a living wage rate with a lag time of no more than 3 years. As such, sub-contracted worker wages should be assessed separately with a separate plan created for bringing them to living wage levels.

For US recommends but does not require that employers communicate their living wage commitment to everyone you do business with and encourage them to consider implementing the living wage.

Phased implementation means that an employer may roll the living wage out across contracts as they come up for renewal and may work with growing the pay in these contracts over time at the required rate of increase for a “Living Wage For US Employer” to achieve a living wage for their own workers.

If an employer has a contractor who refuses to work with them on the Living Wage, the employer shall use their next bidding process to find one who will. Or they may consider offering the contracted staff a permanent position with the living wage rates and benefits received by all employees. The three-year lag in this requirement allows space for this process.

All directly employed staff, regardless of time spent at work, as well as regularly sub-contracted workers who work for 2 hours a week, for 8 or more consecutive weeks of the year must be paid the living wage within three years of the time the employer has achieved “Leading Living Wage For US Employer status”, and must receive pay that adheres to the “Living Wage For US Employer” requirements within three years of the employer receiving that designation.

Employers may have cleaners or other subcontracted staff that work on their premises, that are shared with other tenants. The first step is to find out from the employer’s building management company whether the cleaners are paid the living wage.

If they are not, then the ideal outcome would be to persuade building management to pay all cleaners, security, reception, and related staff the living wage. Employers might want to organize a meeting of tenants in the building and raise the issue of the living wage with this group. If they are able to obtain support from a group of tenants and then approach the building manager together, they will have a more powerful case for persuasion.

If it is not possible to persuade other tenants and the building manager to work with the employer on the living wage, then the employer may explore an alternative mechanism to supplement the pay of relevant workers at the living wage rate for the time they are providing a service on the employer’s premises. Should this also prove infeasible, the employer will work with their For US account manager to address the specific case and resolve the concern to For US’s satisfaction.



Where employers contract with individual workers, either through an app-based platform or otherwise, the 3 year flexibility noted above shall not apply, and efforts must be undertaken by the employer to account for operating costs that the worker must incur to meet obligations, such as gas, vehicle payments, or other costs. Regardless of the legal status of such relationships in particular jurisdictions, (i.e. whether contractual or employment-based) all such individually contracted workers must be paid a living wage and have access to paid sick time for an employer benefiting from their services to participate in For US.

3 Achieving Living Wage Payment

As a living wage may be achieved through a diverse remuneration package it is essential to understand how benefits and bonuses may be accounted for as a part of the living wage. The principles that guide these decisions are detailed in the standard, but this guidance provides further information on common benefit and bonus types so as to help an employer better understand how their own remuneration contributes to workers achieving a basic but decent standard of living for themselves and their families.

3.1 In-Kind Benefits

Any accounting for benefits toward overall pay must be governed by applicable State and Federal Labor laws that govern both quality and amounts that can be credited toward wages across the country.

Additionally, there are many very important benefits that do not count toward achievement of a living wage, simply because they are not accounted for in the costs of living estimates for a living wage benchmark. However, these benefits may be accounted for in the “Plus” add-on designation of the For US living wage standard, allowing an employer to more fully differentiate themselves as a high road employer and be credited for providing additional important benefits that can’t be assessed toward a living wage. This add-on may be applied at both tier I and tier II levels of the standard.

The chart below lists common benefits provided by employers and how they may or may not be accounted for in achieving living wage payment. This list is not exhaustive, and For US intends to expand it as stakeholders and members propose additional positive widely implemented benefits and employment practices to consider. For US will maintain a portal for such recommendations on an annual basis.

Individual caps for benefits are aligned with the costs assessed in the living wage calculations used by For US. An overall cap of 30% of cost of living being provided by in-kind benefits shall apply as well in order to ensure worker choice and align with global practices. However, the provision of benefits also reduces the tax burden for workers. Thus, a living wage may be achieved accounting for both a maximum of 30% of the cost of living provided for with benefits, as well as the related tax savings that a worker receives through those benefits. This might create scenarios wherein a living wage is paid despite less than 70% of the total living wage rate being provided through cash remuneration.



Benefit Type	Counted Toward Living Wage Yes/No/Add On/Tier I Requirement	Reason for Inclusion/Exclusion	How Amounts are Assessed for Credit to Living Wage
Life Insurance	No	Not accounted for in living wage benchmarks	N/A
Health Insurance	Yes	Reduces amount worker must pay out of pocket for a decent standard of living	Reduction in premium costs to the worker may be credited (comparing to silver level ACA plans with subsidies as accounted for in estimates of living wage).
Retirement	Yes	Reduces amount worker must pay out of pocket for a decent standard of living	There is a small amount of savings accounted for in the living wage estimates. Should employers contribute to retirement plans this amount may be credited along with tax savings. However, these plans (if matching only) must either be “opt out” offerings or utilized by at least 70% of employees in the position examined. Should an employer only provide a tax-free savings space, the tax savings from reducing earnings by the calculated savings amount in living wage estimates may be credited.

Flexible Spending Accounts (FSAs (transportation and/or dependent care) or Health Savings Accounts (HSAs)	Yes	Reduces amount worker must pay out of pocket for a decent standard of living	If contributions are made by employer to HSA or FSA plans, that amount may be credited toward living wage payment, although it will be capped at the level of expense included in the living wage estimate. Additionally, if HSAs or FSAs are provided, even without employer contributions, tax savings may be accounted for.
Paid Vacation	No / Add-on	Does not reduce the cost of living or provide additional income to workers	N/A
Paid Sick Days	No / Required for Tier I	Does not reduce cost of living, but necessary for a decent life, especially in a post-pandemic environment	N/A
Paid Holidays	No	Does not reduce the cost of living or provide additional income to workers	N/A
Paid Family and Medical Leave	No / Add-on	Does not reduce the cost of living or provide additional income to workers	N/A
Fair Scheduling Practices	No / Add-on	Does not reduce the cost of living or provide additional income to workers	N/A



Gym Membership or Other Paid Exercise Program	No	Not accounted for in living wage benchmarks	N/A
Childcare	Yes	Reduces amount worker must pay out of pocket for decency	Childcare vouchers, childcare reimbursements, dependent care FSA funds, and/or on-site childcare provision may be credited according to savings provided to workers. Tax benefits of this noncash remuneration shall also be accounted for.
Legal Services	No	Not accounted for in living wage benchmarks	N/A
Mental Health Services	No	Not accounted for in living wage benchmarks	N/A
Meals	Yes	Reduces amount worker must pay out of pocket for decency	Free or subsidized meals provided to workers may be accounted for if nutritionally sound. They will be capped at current worker per meal cost. Tax benefits of this noncash remuneration shall also be accounted for.
Housing	Yes	Decent housing provided that meets the standard applied to the living wage estimates, or housing	Housing credits and provision may be credited according to the savings provided to workers. Tax benefits of this noncash



		assistance (e.g. stipend) provided	remuneration shall also be accounted for.
Transportation	Yes	Reduces amount worker must pay out of pocket for decency	Reimbursements for transportation or parking costs and transportation provision (e.g. direct or through business Lyft Uber accounts) will be accounted for toward a living wage if available to all workers. Tax benefits of this noncash remuneration shall also be accounted for.
Long-Term Disability Benefits	No	Not a regular benefit used by the majority of workers, and not accounted for in the living wage benchmarks	N/A
Student Loan Assistance	No / Add-on	Not accounted for in living wage benchmarks	N/A
Tuition Assistance	No / Add-on	Not accounted for in living wage benchmarks	N/A
Transparent Pay Equity	No / Add-on	Not accounted for in living wage benchmarks	N/A
Stock Options/Bonus and Ownership Shares	Yes	Reduces the amount accounted for in savings category of living wage calculations	Fully vested values that can be sold for immediate cash benefits may be counted toward the living wage.

3.2 Bonus and Cash Benefits

Cash benefits are able to be included as part of a living wage provided that they are regular and expected. This creates a need to estimate the value of benefits that fluctuate over time to assess the amount that is truly dependable for the worker and can be used to plan in paying for basic costs of living.

Cash Benefit Type	Counted Toward Living Wage Yes/No	Reason for Inclusion/Exclusion	How Amounts are Assessed for Credit to Living Wage
Annual Bonus	Yes, with 3-year average estimated, and assuming consistency	Expected and regular so can be planned on for workers to cover costs of living	Annual bonuses for past three years are reviewed and assuming they are fairly consistent, the average may be used to assess whether a living wage is reached. If there are years with no annual bonus or the bonus varies widely year to year, only the lowest expected bonus over the past year may be credited toward a living wage. Each year this amount may adjust based on the performance of this bonus over the past three years.
Spot Bonus or Discretionary Bonus	Yes, if received by all workers and can be expected, even if the timing is variable based on performance or other factors. No, if only received by some workers and not in all years.	May only be counted if this actually happens often enough for workers to expect it in their overall income and so that they have the ability to plan costs around receipt	

Retention Bonus	Yes, if received by all workers staying with the company annually.	Expected and regular so can be planned on for workers to cover costs of living	
Referral Bonus	No	This is dependent on an action that only a few employees will take, and those actions will not be repeated every year. As such, this is not a bonus that a worker can plan on to cover essential costs of living	N/A
Holiday Bonus	Yes	Expected and regular so can be planned on for workers to cover costs of living	
Profit Sharing Bonus	Yes, if received by all workers and only accounted for at the expected level (typical and consistent over the past three years)	Expected and regular so can be planned on for workers to cover costs of living	
Commission	Yes	Expected and regular so can be planned on for workers to cover costs of living	Here it is important to assess the typical commission for lowest paid workers. Similar to tips, commissions can be considered as part of a living wage, but if an employee does not earn enough in commissions for a month to reach the living wage level, the difference must be made up by the employer

3.3 Annual Post-Check on Meeting Living Wage Levels

At the end of each year the total pay packages of workers should be reassessed to understand whether there were any unexpected factors that caused workers to earn less than a living wage (if at a “Leading Living Wage For US Employer” level) or less than the reported wage for qualification as a “Living Wage For US Employer” for the year.

4 Obtaining the Plus designation



Each certified For US member has the opportunity to achieve the Plus designation to further highlight actions they have taken for their workers that could not be considered as part of the For US living wage standard. To qualify, an employer must have taken at least 5 of the actions below and be able to demonstrate this to For US staff.

Plus Achievements	Rule
<p>Additional Covered Living Wage Workers</p>	<p>Should an employer also ensure that contract labor not included in the requirements of the standard also earn a living wage, that employer may count this item toward achievement of the Plus designation.</p>
<p>Predictable and Sustainable Scheduling Practices</p>	<p>Should an employer publicly institute clear policies that prohibit “just in time” scheduling practices, providing for the elements listed below, it may claim this achievement: a) workers have at least XX days advance notice for shift changes, b) workers have the right to refuse shifts or request schedule changes without retaliation, and c) prohibiting practices such as “clopening” that prevent workers from making use of their off-shifts.</p>



<p>Provision of Flexible Work Hours and Work from Home Options</p>	<p>If the entire workforce is offered options to work from home and/or have flexible hours without risk of repercussions, the employer may count this item toward achievement of the Plus designation.</p>
<p>Employee Ownership of Company</p>	<p>If at least 10% of the company is owned by its employees, then employee ownership may be counted toward the Plus designation.</p>
<p>Paid Family and Medical Leave</p>	<p>Currently the U.S. does not provide for paid family leave for workers when necessary to care for a sick family member, eldercare, care related to military deployment or for veterans, or when a new child comes into the family through various paths. This provision shall be considered achieved if workers receive paid family and medical leave for a period of at least 6 weeks.</p>
<p>Additional Paid Time Off</p>	<p>Employers that provide a minimum of 15 days combined paid vacation/sick/family leave, and paid holidays to cover all federally designated holidays in the U.S. shall qualify as having completed this requirement.</p>
<p>Excellence in Retirement Contributions</p>	<p>Provision of retirement plans with matches included through the employer at a level above typical retirement contributions by employers, listed as follows:</p> <ul style="list-style-type: none"> • Matching contribution is offered above 4.3% of the workers' pay • Match exceeds 50 cents on the dollar
<p>Tuition Reimbursement</p>	<p>Tuition reimbursement aligned with current national typical rates of tuition reimbursement (a minimum of \$5,400 for undergraduate and \$10,400 for graduate in 2018) shall be counted toward achievements.</p>



<p>Key Performance Indicator (KPI) Reporting</p>	<p>For US shall release KPI guidance that will detail information necessary to be gathered to understand the impact of living wage payment on business. These shall include, but not be limited to retention rates, productivity measures, reputational benefits, positive impacts on recruitment, actual costs to the employer of living wage implementation, and employer savings associated with positive results on KPIs. Employers will be allowed to submit this information for use on an aggregate level free of any identifying information should they so choose. Submission of this information, or cooperation with For US to produce a case based on the experience of the employer for wider sharing and learning shall both satisfy this achievement.</p>
<p>U.S. Supply Chain Living Wage Payment</p>	<p>Ensure that all suppliers across the U.S. are providing a living wage to their workers.</p>
<p>Support for Collective Bargaining</p>	<p>Proactive statements of policy coupled with clear practices implementing full neutrality around collective bargaining and worker organizing would qualify an employer for this achievement. Where collective bargaining agreements are in effect or in negotiation for all or part of an employer’s workforce, the relevant union must agree to this achievement for it to be counted.</p>
<p>Provision of Health Benefits Beyond Basic Insurance</p>	<p>Provision of benefits such as free gym memberships, free mental health counseling, or dental and vision benefits for workers.</p>
<p>Student Debt Assistance</p>	<p>Meaningful assistance in paying off past student debt incurred by workers. Covering at least half the cost of loan payments.</p>



<p>Employee Education Opportunities for Advancement</p>	<p>Provision of training programs, apprenticeships, or other programming to actively help workers obtain the skills and knowledge necessary to advance in their careers.</p>
<p>Lobbying in support of policies that support and make Living Wages easier to achieve</p>	<p>Employers who devote significant lobbying resources to support the development and implementation of laws and regulations that create enabling and supportive environments for the payment of living wages can claim this achievement.</p>

5 Nonconformities

Failure to comply with any element of the standard or this associated guidance shall result in a nonconformity for the employer. For US staff at times advised by the For US Advisory Council will impose penalties for non-conformity in a measured and impartial manner and seek to provide employers opportunities to correct errors and unexpected challenges as they arise. In response to concerns raised anonymously by workers through compliance mechanisms, For US staff may request clarification, documentation or additional information from participating employers. It is vital that such requests be responded to expeditiously, no later than 10 business days from the date of initial communication with regard to the matter. For US staff may also request access to workers to conduct worker interviews to better understand claims and concerns – participating employers should provide such access and refrain from any form of retaliation against workers for speaking with For US staff.

Penalties may range from rejection of membership applications to temporary demotion in For US tiers or removal of the “Plus” designation, temporary suspension of affiliate membership, and permanent removal from For US. For US staff will communicate transparently with participating employers through the course of any compliance and penalty process. Repeated, willful, or egregious violations of the provision will be met with the highest available penalties. Particular focus will be placed on allegations of retaliation against workers for raising concerns, as such behavior not only represents a non-conformity, but imperils the integrity of the verification and compliance system.

A formal process with clearly defined options for resolution as well as potential actions to be taken by For US in the absence of resolution shall be included in verification and compliance guidance.



ANNEX A: Do No Harm Guidance

Section 5.7 of For US living wage standard prohibits meaningful harm to the interests and financial well-being of affected workers as a result of an employer’s participation in For US, when all factors that can be reasonably assessed are taken into account. The standard requires that participating employers proactively avoid such an impact on their workers and covered sub-contractors. This requirement is in addition to other requirements to comply with all relevant labor laws.

Employers will naturally need to make adjustments to their business operations in order to participate in For US. In many cases, such adjustments will not meaningfully harm the interests of workers, even if they may in some instances prove unpopular with workers, and so would be permissible under the standard. The crucial elements of the standard are that workers are not meaningfully negatively impacted by such operational changes.

Prohibited practices include, but are not limited, to those listed below. It is crucial to note that these prohibitions apply to policies made in the context of efforts to achieve the living wage, at any point along the continuous improvement timeline afforded by the standard. Intent and efforts to ensure worker well-being is a crucial factor where the application of this section is in question. For US participation is not a blanket prohibition on all such practices:

- Reduction in the overall quality and positive impact of benefits afforded to workers in order to offset increased wages (though changing the mix of benefits may be permissible, so long as the final arrangement, on the whole does not meaningfully negatively impact workers);
- Changes to working arrangements including work schedules, numbers of shifts or other workplace practices that workers deem harmful;
- Outsourcing of business operations to excluded sub-contractor categories;
- Shifting business operations to excluded work locations overseas,
- Anti-union activities or differential management posture with regard to collective bargaining in order to negotiate lower wage rates.

Examples of permissible operations changes to participate in For US include, for instance, a change in the timing of cleaning operations by janitorial personnel to allow for daytime cleaning of office environments, reducing extraneous costs to the sub-contracted janitorial firm, as illustrated in a notable case study from the UK Living Wage Foundation; marginal price increases to consumers; shifts in the terms of contractual relationships with business vendors; wage increases at levels above the living wage to account for wage compression concerns, or changes in the mix of benefits available to workers, so long as the changes do not negatively impact workers, and as long as they are in compliance with all collective bargaining obligations.



Version 1.0.0

This provision applies to all of an employer’s subsidiaries, and covered sub-contracted operations, though compliance mechanisms will account for challenges employers may have in achieving compliance among small subcontractors, and the focus of compliance efforts will be in all but egregious circumstances on remediation rather than penalization of the participating employer.

While not required, it is highly recommended that employers include specific, proactive mention of steps taken to avoid harm in changing business operations as part of their compliance plans, and that the employer’s staff charged with ensuring compliance with the standard are aware of and proactively avoid decisions harmful to workers. For US staff will assess compliance with this provision, relying heavily on the systems of verification and compliance review policies established under the standard and guidance, including ultimate appeal to an Advisory Council including employer representation. Where the impact on workers may be in doubt, anonymized third party worker surveys or other worker engagement mechanisms may help provide additional information.