
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1287 Session of
2023

INTRODUCED BY KIM, KINSEY, HILL-EVANS, FREEMAN, MADDEN, WEBSTER,
SAMUELSON, DELLOSO, SOLOMON, D. WILLIAMS, HOHENSTEIN, KHAN,
WARREN, SANCHEZ, BRENNAN, GUENST, BELLMON, MALAGARI, HOWARD,
SCOTT, NEILSON, O'MARA AND STURLA, JUNE 1, 2023

REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, JUNE 1, 2023

AN ACT

1 Amending the act of January 17, 1968 (P.L.11, No.5), entitled
2 "An act establishing a fixed minimum wage and overtime rates
3 for employes, with certain exceptions; providing for minimum
4 rates for learners and apprentices; creating a Minimum Wage
5 Advisory Board and defining its powers and duties; conferring
6 powers and imposing duties upon the Department of Labor and
7 Industry; imposing duties on employers; and providing
8 penalties," further providing for definitions and for minimum
9 wages.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 Section 1. Sections 3(d) and 4(a) of the act of January 17,
13 1968 (P.L.11, No.5), known as The Minimum Wage Act of 1968, are
14 amended to read:

15 Section 3. Definitions.--As used in this act:

16 * * *

17 (d) "Wages" mean compensation due to any employe by reason
18 of his or her employment, payable in legal tender of the United
19 States or checks on banks convertible into cash on demand at
20 full face value, subject to such deductions, charges or

1 allowances as may be permitted by regulations of the secretary
2 under section 9.

3 "Wage" paid to any employe includes the reasonable cost, as
4 determined by the secretary, to the employer for furnishing such
5 employe with board, lodging, or other facilities, if such board,
6 lodging, or other facilities are customarily furnished by such
7 employer to his or her employes: Provided, That the cost of
8 board, lodging, or other facilities shall not be included as a
9 part of the wage paid to any employe to the extent it is
10 excluded therefrom under the terms of a bona fide collective-
11 bargaining agreement applicable to the particular employe:
12 Provided, further, That the secretary is authorized to determine
13 the fair value of such board, lodging, or other facilities for
14 defined classes of employes and in defined areas, based on
15 average cost to the employer or to groups of employers similarly
16 situated, or average value to groups of employes, or other
17 appropriate measures of fair value. Such evaluations, where
18 applicable and pertinent, shall be used in lieu of actual
19 measure of cost in determining the wage paid to any employe.

20 In determining the hourly wage an employer is required to pay
21 a tipped employe, the amount paid such employe by his or her
22 employer shall be an amount equal to: (i) the cash wage paid the
23 employe which for the purposes of the determination shall be not
24 less than [the cash wage required to be paid the employe on the
25 date immediately prior to the effective date of this
26 subparagraph] seventy percent of the wage in effect under
27 section 4 of this act; and (ii) an additional amount on account
28 of the tips received by the employe which is equal to the
29 difference between the wage specified in subparagraph (i) and
30 the wage in effect under section 4 of this act. The additional

1 amount on account of tips may not exceed the value of tips
2 actually received by the employe. The previous sentence shall
3 not apply with respect to any tipped employe unless:

4 (1) Such employe has been informed by the employer of the
5 provisions of this subsection;

6 (2) All tips received by such employe have been retained by
7 the employe and shall not be surrendered to the employer to be
8 used as wages to satisfy the requirement to pay the current
9 hourly minimum rate in effect; where the gratuity is added to
10 the charge made by the establishment, either by the management,
11 or by the customer, the gratuity shall become the property of
12 the employe; except that this subsection shall not be construed
13 to prohibit the pooling of tips among employes who customarily
14 and regularly receive tips.

15 * * *

16 Section 4. Minimum Wages.--Except as may otherwise be
17 provided under this act:

18 (a) Every employer shall pay to each of his or her employes
19 wages for all hours worked at a rate of not less than:

20 (1) Two dollars sixty-five cents (\$2.65) an hour upon the
21 effective date of this amendment.

22 (2) Two dollars ninety cents (\$2.90) an hour during the year
23 beginning January 1, 1979.

24 (3) Three dollars ten cents (\$3.10) an hour during the year
25 beginning January 1, 1980.

26 (4) Three dollars thirty-five cents (\$3.35) an hour after
27 December 31, 1980.

28 (5) Three dollars seventy cents (\$3.70) an hour beginning
29 February 1, 1989.

30 (6) Five dollars fifteen cents (\$5.15) an hour beginning

1 September 1, 1997.

2 (7) Six dollars twenty-five cents (\$6.25) an hour beginning
3 January 1, 2007.

4 (8) Seven dollars fifteen cents (\$7.15) an hour beginning
5 July 1, 2007.

6 (9) Fifteen dollars (\$15) an hour beginning January 1, 2024.

7 (10) Beginning January 1, 2025, and for each succeeding
8 January 1 thereafter, the minimum wage shall be increased by an
9 annual cost-of-living adjustment calculated by the secretary
10 using the percentage change in the Consumer Price Index for All
11 Urban Consumers (CPI-U) for the Pennsylvania, New Jersey,
12 Delaware and Maryland area. In calculating the adjustment, the
13 secretary shall use the most recent twelve-month period for
14 which figures have been officially reported by the United States
15 Department of Labor, Bureau of Labor Statistics. At least sixty
16 days prior to the date the adjustment is due to take effect, the
17 percentage increase and the minimum wage amount, rounded to the
18 nearest multiple of five cents (5¢), shall be determined by the
19 secretary. The secretary shall, within ten days following the
20 determination, transmit a notice of the determination to the
21 Legislative Reference Bureau for publication in the next
22 available issue of the Pennsylvania Bulletin.

23 * * *

24 Section 2. This act shall take effect immediately.