

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1500 Session of 2023

INTRODUCED BY DAWKINS, KIM, McNEILL, PROBST, VENKAT, HILL-EVANS, KRUEGER, SCHLOSSBERG, DELLOSO, KENYATTA, GALLAGHER, MADDEN, GIRAL, N. NELSON, SOLOMON, HADDOCK, SANCHEZ, GUENST, NEILSON, SCOTT, BOROWSKI, STURLA, KINSEY, CERRATO, BOYLE, WAXMAN, WARREN, PISCIOTTANO, O'MARA, DONAHUE, GUZMAN, CURRY, FREEMAN, HOWARD AND PIELLI, JUNE 12, 2023

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 20, 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 <--
9 minimum wages AND FOR EXEMPTIONS. <--

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

12 Section 1. Sections 3(d) and 4(a), 4(A) AND (E) AND 5(C) of <--
13 the act of January 17, 1968 (P.L.11, No.5), known as The Minimum
14 Wage Act of 1968, are 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

1 full face value, subject to such deductions, charges or
2 allowances as may be permitted by regulations of the secretary
3 under section 9.

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

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

1 subparagraph (i) and the wage in effect under section 4 of this
2 act. The additional amount on account of tips may not exceed the
3 value of tips actually received by the employe. The previous
4 sentence shall not apply with respect to any tipped employe
5 unless:

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

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

17 * * *

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

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

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

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

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

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

30 (5) Three dollars seventy cents (\$3.70) an hour beginning

1 February 1, 1989.

2 (6) Five dollars fifteen cents (\$5.15) an hour beginning
3 September 1, 1997.

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

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

8 (9) Eleven dollars (\$11) an hour beginning January 1, 2024.

9 (10) Thirteen dollars (\$13) an hour beginning January 1,
10 2025.

11 (11) Fifteen dollars (\$15) an hour beginning January 1,
12 2026.

13 (12) Beginning January 1, 2027, and each January 1
14 thereafter, the minimum wage shall be increased by an annual
15 cost-of-living adjustment calculated by the secretary using the
16 percentage change in the Consumer Price Index for All Urban
17 Consumers (CPI-U) for the Pennsylvania, New Jersey, Delaware and
18 Maryland area. In calculating the adjustment, the secretary
19 shall use the most recent twelve-month period for which figures
20 have been officially reported by the United States Department of
21 Labor, Bureau of Labor Statistics. At least sixty days prior to
22 the date the adjustment is due to take effect, the percentage
23 increase and the minimum wage amount, rounded to the nearest
24 multiple of five cents (5¢), shall be determined by the
25 secretary. The secretary shall, within ten days following the
26 determination, transmit a notice of the determination to the
27 Legislative Reference Bureau for publication in the next
28 available issue of the Pennsylvania Bulletin.

29 * * *

30 (E) IN LIEU OF THE MINIMUM WAGE PRESCRIBED IN SUBSECTION (A) <--

1 [AND SECTION 5(C)] AND NOTWITHSTANDING SUBSECTIONS (B) AND (D),
2 AN EMPLOYER MAY, DURING THE FIRST SIXTY CALENDAR DAYS WHEN AN
3 EMPLOYE UNDER THE AGE OF TWENTY YEARS IS INITIALLY EMPLOYED, PAY
4 THE EMPLOYE TRAINING WAGES AT A RATE OF NOT LESS THAN THE
5 MINIMUM WAGE SET FORTH IN SECTION 6(A) OF THE FAIR LABOR
6 STANDARDS ACT (29 U.S.C. § 206(A)). A PERSON EMPLOYED AT THE
7 TRAINING WAGE UNDER THIS SUBSECTION SHALL BE INFORMED OF THE
8 AMOUNT OF THE TRAINING WAGE AND THE RIGHT TO RECEIVE THE FULL
9 MINIMUM WAGE, OR A HIGHER WAGE, UPON COMPLETION OF THE TRAINING
10 PERIOD. NO EMPLOYER MAY TAKE ANY ACTION TO DISPLACE EXISTING
11 EMPLOYES, INCLUDING PARTIAL DISPLACEMENTS SUCH AS REDUCTION IN
12 THE HOURS, WAGES OR EMPLOYMENT BENEFITS OF EXISTING EMPLOYES,
13 FOR PURPOSES OF HIRING INDIVIDUALS AT THE TRAINING WAGE
14 AUTHORIZED BY THIS SUBSECTION.

15 SECTION 5. EXEMPTIONS.--* * *

16 [(C) (1) NOTWITHSTANDING THE PROVISIONS OF SECTION 4(A) (7)
17 AND (8), AN EMPLOYER UNLESS OTHERWISE EXEMPT FROM THE MINIMUM
18 WAGE PROVISIONS OF SECTION 4(A) (6) WHOSE EMPLOYE COMPLEMENT IS
19 COMPOSED OF THE EQUIVALENT OF TEN OR LESS FULL-TIME EMPLOYES TO
20 BE CALCULATED ON A FORTY-HOUR WORKWEEK SHALL PAY:

21 (I) FIVE DOLLARS SIXTY-FIVE CENTS (\$5.65) AN HOUR BEGINNING
22 JANUARY 1, 2007.

23 (II) SIX DOLLARS SIXTY-FIVE CENTS (\$6.65) AN HOUR BEGINNING
24 JULY 1, 2007.

25 (2) SUCH EMPLOYER SHALL PAY THE FULL AMOUNT OF THE MINIMUM
26 WAGE UNDER SECTION 4(A) (8) BEGINNING JULY 1, 2008.]

27 Section 2. This act shall take effect in 60 days.