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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 743 Session of  
2023

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INTRODUCED BY LAUGHLIN AND HAYWOOD, MAY 31, 2023

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REFERRED TO LABOR AND INDUSTRY, MAY 31, 2023

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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  
21 allowances as may be permitted by regulations of the secretary  
22 under section 9.

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

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

1 unless:

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

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

13 \* \* \*

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

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

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

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

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

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

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

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

30 (7) Six dollars twenty-five cents (\$6.25) an hour beginning

1 January 1, 2007.

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

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

5 (10) Thirteen dollars (\$13) an hour beginning January 1,  
6 2025.

7 (11) Fifteen dollars (\$15) an hour beginning January 1,  
8 2026, adjusted for inflation in subsequent fiscal years by an  
9 amount not to exceed an annual cost-of-living adjustment  
10 calculated by the secretary by applying any upward percentage  
11 change in the Consumer Price Index, or an upward percentage  
12 increase of three percent, whichever is less, immediately prior  
13 to the date the adjustment is due to take effect. The secretary  
14 shall, within ten days following any determination for  
15 adjustment under this paragraph, transmit notice to the  
16 Legislative Reference Bureau for publication in the next  
17 available issue of the Pennsylvania Bulletin.

18 \* \* \*

19 Section 2. All regulations and parts of regulations are  
20 abrogated to the extent of any inconsistency with the provisions  
21 of this act.

22 Section 3. This act shall take effect in 60 days.