

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 672 Session of
2021

INTRODUCED BY LAUGHLIN, BROWNE, YUDICHAK AND HAYWOOD,
MAY 11, 2021

REFERRED TO LABOR AND INDUSTRY, MAY 11, 2021

AN ACT

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

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

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

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

* * *

(d) "Wages" mean compensation due to any employe by reason of his or her employment, payable in legal tender of the United States or checks on banks convertible into cash on demand at full face value, subject to such deductions, charges or allowances as may be permitted by regulations of the secretary

under section 9.

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

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

value of tips actually received by the employe. The previous sentence shall not apply with respect to any tipped employe unless:

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

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

* * *

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

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

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

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

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

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

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

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

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

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

(9) Ten dollars (\$10) an hour beginning January 1, 2022, adjusted for inflation in subsequent fiscal years by an amount not to exceed an annual cost-of-living adjustment calculated by the secretary by applying any upward percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. The secretary shall, within ten days following any determination for adjustment under this paragraph, transmit notice to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin.

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

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