

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**  
**No. 2940** Session of  
1980

INTRODUCED BY POTT, SEPTEMBER 23, 1980

REFERRED TO COMMITTEE ON LABOR RELATIONS, SEPTEMBER 23, 1980

AN ACT

1 Amending the act of July 14, 1961 (P.L.637, No.329), entitled  
2 "An act relating to the payment of wages or compensation for  
3 labor or services; providing for regular pay days; conferring  
4 powers and duties upon the Department of Labor and Industry,  
5 including powers and duties with respect to the civil  
6 collection of wages; providing civil and criminal penalties  
7 for violations of the act; providing for their collection and  
8 disposition and providing for additional civil damages,"  
9 providing for provisions concerning employees paid on a  
10 commission basis.

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

13 Section 1. Section 4 and subsection (a) of section 5, act of  
14 July 14, 1961 (P.L.637 No.329), known as the "Wage Payment and  
15 Collection Law," amended July 14, 1977 (P.L.82, No.30), are  
16 amended to read:

17 Section 4. Notification.--It shall be the duty of every  
18 employer to notify his employees at the time of hiring of the  
19 time and place of payment and the rate of pay and the amount of  
20 any fringe benefits or wage supplements to be paid to the  
21 employee, a third party or a fund for the benefit of the employee

1 and any change with respect to any of these items prior to the  
2 time of said change. Alternatively, however, every employer may  
3 give such notification by posting the aforementioned facts and  
4 keeping them posted conspicuously at the employer's place of  
5 business. Further, in cases where wages, amounts of any fringe  
6 benefits or wage supplements are set forth in a bona fide  
7 collective bargaining agreement and copies of that agreement are  
8 available to employees, then this shall satisfy the employer's  
9 duty to give notice.

10 It shall be the duty of every employer, who engages employees  
11 which are paid in whole or part on a commission basis, to  
12 provide each such employee with a monthly report of the status of  
13 commission due within 15 days of the close of each calendar  
14 month. Each report shall include a specific listing of all sales  
15 closed during the preceding month, the commission payable on  
16 each individual item, and itemization of any amounts charged  
17 against such commissions for the refurbishing of used goods or  
18 equipment, if applicable, and the amount due such employee on the  
19 last day of the month.

20 In lieu of the monthly report provided for herein, employer  
21 and employee may enter into a written employment contract which  
22 establishes the rate of commission to be paid, the basis for  
23 deduction of any fees or charges for refurbishing equipment and  
24 a schedule of the dates and basis upon which the employee shall  
25 be paid. Any such employment contracts shall be renewable  
26 annually.

27 In no case shall the charges deducted from commissions for  
28 the refurbishing of used goods or equipment exceed the  
29 employer's cost.

30 Section 5. Employees Who Are Separated from Payroll before

1 Paydays.--

2 (a) Separated Employees. Whenever an employer separates an  
3 employe from the payroll, or whenever an employe quits or  
4 resigns his employment, the wages or compensation earned shall  
5 become due and payable not later than the next regular payday of  
6 his employer on which such wages would otherwise be due and  
7 payable. If requested by the employe, such payment shall be made  
8 by certified mail.

9 When any employe who is paid in whole or in part on a  
10 commission basis quits, resigns or is in any other way separated  
11 from the payroll, all compensation earned by such employe prior  
12 thereto shall become due and payable not later than the next  
13 regular payday or date indicated in a written employment  
14 contract. Any moneys withheld by the employer beyond such time  
15 shall be placed in an escrow account, and if it is subsequently  
16 determined that such payments were improperly withheld, such  
17 escrowed amount shall bear interest at the rate of nine percent  
18 (9%) per annum from the date it was required to be placed in  
19 escrow.

20 \* \* \*

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