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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 672 Session of  
2021

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

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REFERRED TO LABOR AND INDUSTRY, MAY 11, 2021

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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

1 under section 9.

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

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

1 sentence shall not apply with respect to any tipped employe  
2 unless:

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

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

14 \* \* \*

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

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

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

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

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

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

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

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

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

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

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

14 \* \* \*

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

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