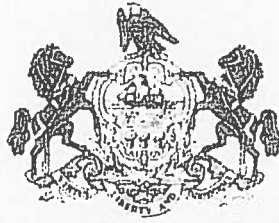


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House of Representatives
Commonwealth of Pennsylvania
Harrisburg

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SCHOOL PROPERTY TAX RELIEF

APPOINTMENTS

CHESAPEAKE BAY COMMISSION

MEMORANDUM

TO: All House Members

FROM: Representative Ron Miller, Chairman *REM*
House Labor & Industry Committee

DATE: June 14, 2012

SUBJECT: Co-sponsorship of Legislation to Amend Prevailing Wage Act

Please find attached a copy of legislation I plan to introduce in the near future to amend the Prevailing Wage Act to ensure accountability with respect to how fringe benefits are calculated, and paid. Section 7 of the act requires that the Secretary of Labor and Industry consider fringe benefits pursuant to a collective bargaining rate as part of the wage rate calculation (for a particular classification) that must be paid to a workman. The term "fringe benefits" is not defined in the law, although in the regulations implementing the law the term is defined as "fringe benefits paid, or to be paid, *including* payment made whether directly, or indirectly, to the workmen for sick, disability, death, other than Workers' Compensation, medical, surgical, hospital, vacation, travel expense, retirement and pension benefits." It is important to note that the definition in regulation uses the term "including", which does not limit what other payments might be considered to be fringe benefits. My legislation provides a firm, traditional definition for the term "fringe benefit" that does not allow other possible union fees to be included in developing the wage rate.

The problem is that there is the possibility that "fringe benefit" data from collective bargaining agreements might include some items which we as legislators would not consider to be fringe benefits (such as job targeting fund fees). I do not think that public monies should be used to support any union administrative expenses that are not associated with health/pension/training/etc. benefits for workmen. My legislation establishes procedures for allowing workmen to file formal complaints about the misuse of their fringe benefit payments, and procedures for the department to investigate and penalize third parties that violate the law.

In addition, my legislation establishes a prohibition against retaliation by a contractor, or union, against workmen on a public project who might not contribute to a particular political action committee/fund. I believe this provision is needed to protect workmen from being solicited for political contributions under the fear of losing a job assignment.

I believe that after reading my proposed legislation, you will find that this bill protects the rights of workers. As Chairman of the House Labor and Industry Committee, I believe this legislation is needed. Please contact Dawn Wolfe-Gingrich in my office at 3-8389 or by email at dwolfe@pahousegop.com if you wish to cosponsor.