
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1186 Session of
2024

INTRODUCED BY TARTAGLIONE, COSTA, KANE, SAVAL, FONTANA, KEARNEY,
MUTH, HUGHES, HAYWOOD, COLLETT, SANTARSIERO, CAPPELLETTI AND
BREWSTER, MAY 21, 2024

REFERRED TO LABOR AND INDUSTRY, MAY 21, 2024

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; providing for gratuities; further providing for
10 enforcement and rules and regulations, for penalties, for
11 civil actions and for preemption; and providing for taxpayer
12 savings and reinvestment.

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

15 Section 1. Section 3(d) of the act of January 17, 1968
16 (P.L.11, No.5), known as The Minimum Wage Act of 1968, is
17 amended to read:

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

19 * * *

20 (d) "Wages" mean compensation due to any employe by reason
21 of his or her employment, payable in legal tender of the United
22 States or checks on banks convertible into cash on demand at

1 full face value, subject to such deductions, charges or
2 allowances as may be permitted by regulations of the secretary
3 under section 9.

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

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

1 under section 4 of this act. The additional amount on account of
2 tips may not exceed the value of tips actually received by the
3 employe. The previous sentence shall not apply with respect to
4 any tipped employe unless:

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

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

16 * * *

17 Section 2. Section 4(a) of the act is amended by adding a
18 paragraph to read:

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

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

23 * * *

24 (9) Twenty dollars (\$20) an hour beginning July 1, 2024.
25 Beginning on July 1, 2029, and every five years thereafter, the
26 following shall apply:

27 (i) The department shall determine the percentage change in
28 the Consumer Price Index for All Urban Consumers: All Items
29 (CPI-U) for the United States City Average as published by the
30 United States Department of Labor, Bureau of Labor Statistics,

1 for each successive five-year period.

2 (ii) If the department determines there is no positive
3 percentage change, no adjustments to the minimum wage shall
4 occur for the relevant time period.

5 (iii) If the department determines there is a positive
6 percentage change, the positive percentage change shall be
7 multiplied by the minimum wage, the product shall be added to
8 the minimum wage and the sum shall be the preliminary adjusted
9 minimum wage.

10 (iv) The preliminary adjusted minimum wage shall be rounded
11 to the nearest five cents (5¢) to determine the final adjusted
12 minimum wage, which shall apply for the relevant time period.

13 (v) The department shall post the final adjusted minimum
14 wage on its publicly accessible Internet website and shall
15 transmit notice of the final adjusted minimum wage to the
16 Legislative Reference Bureau for publication in the next
17 available issue of the Pennsylvania Bulletin.

18 * * *

19 Section 3. The act is amended by adding a section to read:

20 Section 5.2. Gratuities.--(a) For purposes of this section,
21 a "gratuity" means property received by an employe from a
22 voluntary monetary contribution made by a guest, patron or
23 customer for services rendered.

24 (b) An employer may not take a gratuity or a part of a
25 gratuity received by an employe from a guest, customer or patron
26 of the employer.

27 (c) An employer that accepts payment of a gratuity by credit
28 card shall pay the employe the full amount of the gratuity that
29 the guest, customer or patron of the employer indicated on the
30 credit card slip without a deduction for any credit card

1 processing fees or costs that may be charged to the employer by
2 the credit card company.

3 (d) An employer shall pay a gratuity made to an employe by a
4 guest, customer or patron of the employer using a credit card to
5 the employe not later than the next regular payday after the
6 date the guest, customer or patron authorized the credit card
7 payment.

8 Section 4. Sections 9, 12, 13 and 14.1 of the act are
9 amended to read:

10 Section 9. Enforcement; Rules and Regulations.--[The
11 secretary shall enforce this act.] (a) The secretary shall make
12 and, from time to time, revise regulations, with the assistance
13 of the board, when requested by the secretary, which shall be
14 deemed appropriate to carry out the purposes of this act and to
15 safeguard the minimum wage rates thereby established. Such
16 regulations may include, but are not limited to, regulations
17 defining and governing bona fide executive, administrative, or
18 professional employes and outside salespersons, learners and
19 apprentices, their number, proportion, length of learning
20 period, and other working conditions; [handicapped] workers with
21 disabilities; part-time pay; overtime standards; bonuses;
22 allowances for board, lodging, apparel, or other facilities or
23 services customarily furnished by employers to employes;
24 allowances for gratuities; or allowances for such other special
25 conditions or circumstances which may be incidental to a
26 particular employer-employe relationship.

27 (b) The secretary may investigate possible violations of
28 this act and assess administrative penalties under section 12.

29 Section 12. Penalties.--(a) Any employer and his or her
30 agent, or the officer or agent of any corporation, who

1 discharges or in any other manner discriminates against any
2 employe because such employe has testified or is about to
3 testify before the secretary or his or her representative in any
4 investigation or proceeding under or related to this act, or
5 because such employer believes that said employe may so testify
6 shall, upon conviction thereof in a summary proceeding, be
7 sentenced to pay a fine of not less than [five hundred dollars
8 (\$500)] one thousand five hundred dollars (\$1,500) nor more than
9 [one thousand dollars (\$1,000)] three thousand dollars (\$3,000),
10 and in default of the payment of such fine and costs, shall be
11 sentenced to imprisonment for not less than ten days nor more
12 than ninety days.

13 (b) Any employer or the officer or agent of any corporation
14 who pays or agrees to pay any employe less than the rates
15 applicable to such employe under this act shall, upon conviction
16 thereof in a summary proceeding, be sentenced to pay a fine of
17 not less than [seventy-five dollars (\$75)] two hundred twenty-
18 five dollars (\$225) nor more than [three hundred dollars (\$300)]
19 nine hundred dollars (\$900) or to undergo imprisonment of not
20 less than ten nor more than sixty days, or both. Each week in
21 which such employe is paid less than the rate applicable to him
22 or her under this act and for each employe who is paid less than
23 the prescribed rate, a separate offense shall be deemed to
24 occur. Any agreement between the employer and the employe to
25 work for less than the applicable wage rate shall be no defense
26 to action by the Commonwealth under this section.

27 (c) Any employer or the officer or agent of any corporation
28 who violates any other provision of this act or of any
29 regulation issued thereunder shall, upon conviction thereof in a
30 summary proceeding, be sentenced to pay a fine of not less than

1 [one hundred dollars (\$100)] three hundred dollars (\$300) nor
2 more than [five hundred dollars (\$500)] one thousand five
3 hundred dollars (\$1,500), and each day of such failure to comply
4 with this act or regulation, shall constitute a separate
5 offense.

6 Section 13. Civil Actions.--(a) If any employe is paid by
7 his or her employer less than the minimum wages provided by
8 section 4 of this act or by any regulation issued thereunder,
9 such worker may recover in a civil action the full amount of
10 such minimum wage less any amount actually paid to the worker by
11 the employer, together with costs and such reasonable attorney's
12 fees as may be allowed by the court, and any agreement between
13 the employer and the worker to work for less than such minimum
14 wage shall be no defense to such action. [At the request of any
15 employe paid less than the minimum wage to which such employe
16 was entitled under this act and regulations issued thereunder,
17 the secretary may take an assignment of such wage claim, in
18 trust for the assigning worker and may bring any legal action
19 necessary to collect such claim,]

20 (b) The secretary may bring legal action necessary to
21 collect the wages of an employe who is paid by the employer less
22 than the minimum wages provided by section 4 or by any
23 regulation issued under section 4 and the employer shall be
24 required to pay the cost and such reasonable attorney's fees as
25 may be allowed by the court.

26 (c) In an action brought under this section, whether brought
27 by the employe or by the secretary, where there is a finding of
28 a violation by the employer under this act, the employer shall
29 be liable for any fees and costs associated with enforcement of
30 this act and liquidated damages in an amount equal to the wages

1 or overtime compensation owed to the employe unless the employer
2 shows that:

3 (1) the act or omission resulting in the nonpayment of wages
4 was in good faith; and

5 (2) the employer had reasonable grounds for believing that
6 the act or omission was not in violation of this act.

7 Section 14.1. Limitation on Preemption.--[(a) Except as set
8 forth in subsection (b), this act shall preempt and supersede
9 any local ordinance or rule concerning the subject matter of
10 this act.

11 (b) This section does not prohibit local regulation pursuant
12 to an ordinance which was adopted by a municipality prior to
13 January 1, 2006, and which remained in effect on January 1,
14 2006.] (c) Notwithstanding any other provision of law, a

15 municipality may enact local ordinances or rules regulating the
16 minimum wage for hours worked within the municipality, but may
17 not enact a wage lower than the minimum wage as required by the
18 Commonwealth or as required under section 4 of this act and the
19 Fair Labor Standards Act of 1938 (52 Stat. 1060, 29 U.S.C. § 201
20 et seq.).

21 (d) A municipality that enacts a local ordinance or rule
22 regulating the minimum wage for hours worked within the
23 municipality as permitted under subsection (c) and that requires
24 a wage higher than the minimum wage as required by the
25 Commonwealth may also adopt local ordinances or rules to enforce
26 payment of the minimum wage, including enforcement by private
27 parties.

28 (e) Nothing in this section shall be construed to preclude
29 the secretary from enforcing the provisions of this act.

30 (f) As used in this section, the term "municipality" means a

1 county, city, borough, incorporated town, township, home rule
2 municipality, optional plan municipality or optional charter
3 municipality.

4 Section 5. The act is amended by adding a section to read:

5 Section 14.2. Taxpayer Savings and Reinvestment.--(a) One
6 year after the effective date of this section and after each
7 subsequent increase to the minimum wage thereafter, the
8 Secretary of Human Services shall determine the amount of money
9 that will be saved by the Commonwealth from the increase of
10 wages to individuals, which increase makes the individuals
11 ineligible for programs under the Department of Human Services.
12 The Secretary of Human Services shall:

13 (1) Publish the amount of the savings on the publicly
14 accessible Internet website of the Department of Human Services.

15 (2) Transmit a notice of the information under this section
16 to the Legislative Reference Bureau for publication in the next
17 available issue of the Pennsylvania Bulletin.

18 (b) Money saved by the Commonwealth under this section shall
19 be used to provide increases to child-care providers, direct-
20 care workers and for home-based and community-based services.
21 The Secretary of Human Services shall distribute money saved
22 under this section in the same manner as paid. The programs that
23 will receive the savings and the amounts being augmented to each
24 appropriation shall be forwarded to the Legislative Reference
25 Bureau for publication in the next available issue of the
26 Pennsylvania Bulletin.

27 Section 6. This act shall take effect July 1, 2024, or
28 immediately, whichever is later.