

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1549 Session of
2025

INTRODUCED BY DAWKINS, KHAN AND TAKAC, JUNE 3, 2025

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES,
JUNE 10, 2025

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, for minimum
9 wages and for exemptions.

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

12 Section 1. Sections 3(d), 4(a) and (e) and 5(c) of the act
13 of January 17, 1968 (P.L.11, No.5), known as The Minimum Wage
14 Act of 1968, are 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 employee 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 employee to the extent it is
9 excluded therefrom under the terms of a bona fide collective-
10 bargaining agreement applicable to the particular employee:
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 employees 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 employees, 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 employee.

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

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

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

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

15 * * *

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

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

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

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

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

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

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

30 (6) Five dollars fifteen cents (\$5.15) an hour beginning

1 September 1, 1997.

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

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

6 (9) For employees who are employed by an employer in a county
7 of the first class:

8 (i) Fifteen dollars (\$15) an hour beginning January 1, 2026.

9 (ii) Beginning January 1, ~~2027~~ 2029, and each January 1 <--

10 thereafter, the minimum wage for employees who are employed by an
11 employer in a county of the first class shall be increased by an
12 annual cost-of-living adjustment calculated by the secretary
13 using the percentage change in the Consumer Price Index for All
14 Urban Consumers (CPI-U) for the Pennsylvania, New Jersey,
15 Delaware and Maryland area. In calculating the adjustment, the
16 secretary shall use the most recent twelve-month period for
17 which figures have been officially reported by the United States
18 Department of Labor, Bureau of Labor Statistics. At least sixty
19 days prior to the date the adjustment is due to take effect, the
20 percentage increase and the minimum wage amount, rounded to the
21 nearest multiple of five cents (5¢), shall be determined by the
22 secretary. The secretary shall, within ten days following the
23 determination, transmit a notice of the determination to the
24 Legislative Reference Bureau for publication in the next
25 available issue of the Pennsylvania Bulletin.

26 (10) For employees who are employed by an employer in a
27 county of the second class, second class A ~~or~~, third class~~±~~, <--
28 FOURTH CLASS, IF THE COUNTY OF THE FOURTH CLASS HAS A POPULATION
29 BETWEEN ONE HUNDRED FIFTY-SEVEN THOUSAND AND ONE HUNDRED FIFTY-
30 NINE THOUSAND OR BETWEEN ONE HUNDRED SIXTY-EIGHT THOUSAND TWO

HUNDRED FIFTY AND ONE HUNDRED SIXTY-EIGHT THOUSAND FOUR HUNDRED,
BASED ON THE 2020 FEDERAL DECENNIAL CENSUS, OR SIXTH CLASS, IF
THE COUNTY OF THE SIXTH CLASS HAS A POPULATION BETWEEN FIFTY-
SEVEN THOUSAND AND FIFTY-NINE THOUSAND, BASED ON THE 2020
FEDERAL DECENNIAL CENSUS:

(i) ~~Eleven dollars (\$11)~~ TWELVE DOLLARS (\$12) an hour
beginning January 1, 2026.

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(ii) Thirteen dollars (\$13) an hour beginning January 1,
2027.

(iii) Fifteen dollars (\$15) an hour beginning January 1,
2028.

(iv) Beginning January 1, 2029, and each January 1
thereafter, the minimum wage for employees who are employed by an
employer in a county of the second class, second class A or,

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third class, FOURTH CLASS, IF THE COUNTY OF THE FOURTH CLASS HAS

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A POPULATION BETWEEN ONE HUNDRED FIFTY-SEVEN THOUSAND AND ONE
HUNDRED FIFTY-NINE THOUSAND OR BETWEEN ONE HUNDRED SIXTY-EIGHT
THOUSAND TWO HUNDRED FIFTY AND ONE HUNDRED SIXTY-EIGHT THOUSAND
FOUR HUNDRED, BASED ON THE 2020 FEDERAL DECENNIAL CENSUS, OR
SIXTH CLASS, IF THE COUNTY OF THE SIXTH CLASS HAS A POPULATION
OF BETWEEN FIFTY-SEVEN THOUSAND AND FIFTY-NINE THOUSAND, BASED
ON THE 2020 FEDERAL DECENNIAL CENSUS, shall be increased by an
annual cost-of-living adjustment calculated by the secretary
using the percentage change in the Consumer Price Index for All
Urban Consumers (CPI-U) for the Pennsylvania, New Jersey,
Delaware and Maryland area. In calculating the adjustment, the
secretary shall use the most recent twelve-month period for
which figures have been officially reported by the United States
Department of Labor, Bureau of Labor Statistics. At least sixty
days prior to the date the adjustment is due to take effect, the

percentage increase and the minimum wage amount, rounded to the nearest multiple of five cents (5¢), shall be determined by the secretary. The secretary shall, within ten days following the determination, transmit a notice of the determination to the Legislative Reference Bureau for publication in the next available issue of the Pennsylvania Bulletin.

(11) For employees who are employed by an employer in a county of the fourth class, OTHER THAN A COUNTY OF THE FOURTH CLASS DESCRIBED IN PARAGRAPH (10), fifth class, sixth class, OTHER THAN A COUNTY OF THE SIXTH CLASS DESCRIBED IN PARAGRAPH (10), seventh class or eighth class:

(i) Ten dollars (\$10) an hour beginning January 1, 2026.

(ii) Eleven dollars (\$11) an hour beginning January 1, 2027.

(iii) Twelve dollars (\$12) an hour beginning January 1, 2028.

(iv) Beginning January 1, 2029, and each January 1 thereafter, the minimum wage for employees who are employed by an employer in a county of the fourth class, OTHER THAN A COUNTY OF THE FOURTH CLASS DESCRIBED IN PARAGRAPH (10), fifth class, sixth class, OTHER THAN A COUNTY OF THE SIXTH CLASS DESCRIBED IN PARAGRAPH (10), seventh class or eighth class shall be increased by an annual cost-of-living adjustment calculated by the secretary using the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for the Pennsylvania, New Jersey, Delaware and Maryland area. In calculating the adjustment, the secretary shall use the most recent twelve-month period for which figures have been officially reported by the United States Department of Labor, Bureau of Labor Statistics. At least sixty days prior to the date the adjustment is due to take effect, the percentage increase and the minimum wage

1 amount, rounded to the nearest multiple of five cents (5¢),
2 shall be determined by the secretary. The secretary shall,
3 within ten days following the determination, transmit a notice
4 of the determination to the Legislative Reference Bureau for
5 publication in the next available issue of the Pennsylvania
6 Bulletin.

7 * * *

8 (e) In lieu of the minimum wage prescribed in subsection (a)
9 [and section 5(c)] and notwithstanding subsections (b) and (d),
10 an employer may, during the first sixty calendar days when an
11 employe under the age of twenty years is initially employed, pay
12 the employe training wages at a rate of not less than the
13 minimum wage set forth in section 6(a) of the Fair Labor
14 Standards Act (29 U.S.C. § 206(a)). A person employed at the
15 training wage under this subsection shall be informed of the
16 amount of the training wage and the right to receive the full
17 minimum wage, or a higher wage, upon completion of the training
18 period. No employer may take any action to displace existing
19 employes, including partial displacements such as reduction in
20 the hours, wages or employment benefits of existing employes,
21 for purposes of hiring individuals at the training wage
22 authorized by this subsection.

23 Section 5. Exemptions.--* * *

24 [(c) (1) Notwithstanding the provisions of section 4(a)(7)
25 and (8), an employer unless otherwise exempt from the minimum
26 wage provisions of section 4(a)(6) whose employe complement is
27 composed of the equivalent of ten or less full-time employes to
28 be calculated on a forty-hour workweek shall pay:

29 (i) Five dollars sixty-five cents (\$5.65) an hour beginning
30 January 1, 2007.

1 (ii) Six dollars sixty-five cents (\$6.65) an hour beginning
2 July 1, 2007.

3 (2) Such employer shall pay the full amount of the minimum
4 wage under section 4(a)(8) beginning July 1, 2008.]

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