



Pennsylvania Conference of Teamsters

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LEGISLATIVE ACTION ALERT



PA Senate Bill 75

Legislation re-introduced by **Senator Tartaglione** that would amend Pennsylvania's Wage Payment and Collection Law to help enforce the law and improve employer adherence to it with regard to payment of employee wages. Further, this bill would establish a self-funding means of increasing enforcement of and reporting on this law by the Department of Labor and Industry. This bill was introduced as SB 161 in the 2017-18 session.

Under the Current Wage Payment and Collection Law, employees who are underpaid do not always have the opportunity to collect the wages they are owed by their employers. Reporting violators without risking retaliation, pursuing back-owed wages and receiving payment for damages are fruitless endeavors for most employees in Pennsylvania. Simultaneously, employers have little incentive to pay the correct amount of wages to their workers because the penalties for violating this law are outdated and fail to deter initial or repeat offenses. Finally, the Department of Labor and Industry does not always proactively investigate employers, especially within high-violation industries, nor does it collect and report data on violations of the Wage Payment and Collection Law.

This legislation would update the Wage Payment and Collection Law and bring it into alignment with wage payment laws in other states, by raising penalties for violators and repeat offenders of this law. Retaliation against employees reporting violations by their employers would be punishable through substantial fines and employees would have the ability to collect damages for back-wages owed them. To ensure sufficient funding for the increased enforcement and reporting duties that would become mandatory for the Department under this bill, Senator Tartaglione plans to establish a Wage Enforcement Fund, which would be subsidized through the penalties collected under this act and the Minimum Wage Act. "It is imperative that we protect our workers and employers who do pay fair wages. Strengthening Pennsylvania's wage payment law will help end the practice of underpaying employees in this state", said Senator Tartaglione.



PA Senate Bill 79

Legislation re-introduced by **Senator Tartaglione** that would amend Pennsylvania's Minimum Wage Act to prohibit employers from deducting business costs from gratuities paid to employees. Specifically, this legislation would require any employer who permits customers to pay gratuities by credit card to pay their employees the full amount of the gratuity indicated on the credit card slip. No deductions may be made for any fees or costs the credit card company may charge to the employer. This bill was introduced as SB 162 in the 2017-18 session.

In Pennsylvania, minimum wage employees who make at least \$30 per month in tips are considered tipped workers. By law, they must be paid at least \$2.83 per hour, and the rest of their wages are earned from customer tips. Unfortunately, when a customer uses a credit card to pay gratuity at a bar or restaurant, employers often require their tipped employees to subtract from their gratuities the processing fees charged by credit card companies. This business practice is both costly and unfair to tipped workers, as it diminishes their take-home pay and penalizes them for a customer's decision to use an employer-sanctioned method of payment.

"It is in the best interest of our Commonwealth to end any practices that are unfair to tipped employees, as they should be paid the full amount of gratuity intended by their customers", said Senator Tartaglione