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LEGISLATIVE ACTION ALERT

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PA Senate Bill 841

Prohibiting Split Rates on Public Works Projects

MEMORANDUM

Posted: Referred to Labor & Industry on July 5, 2023
From: [Senator Frank A. Farry](#) and [Sen. Christine M. Tartaglione](#)
To: All Senate members
Subject: Prohibiting Split Rates on Public Works Projects

Legislation aimed at restoring the integrity of the Pennsylvania Prevailing Wage Act. The prevailing wage law was enacted to level the playing field for contractors bidding on public works construction projects. The law requires that the local prevailing wages for each construction craft be paid on such projects. Nearly all public construction projects are awarded on a low bid basis. The prevailing wage requirement is intended to prevent low bid contractors from gaining a competitive advantage by paying workers less.

The Pennsylvania Prevailing Wage Act requires the Secretary of Labor and Industry to determine the prevailing wage rate for all jobs on a construction project. Some contractors circumvent the law by paying "split rates". A split rate occurs when the same worker is paid two different rates (one higher, one lower) for the same job on the same day. Our legislation simply prohibits this practice. Enactment of this legislation will serve to restore the intent of the law as well as to ensure that workers are paid appropriately on publicly funded projects.

Previous co-sponsors: Hughes, Fontana, Kane, Mensch, Comitta, Schwank, Saval, and Dillon.