

Minimum Wage Law Summary

Must be Posted in a Conspicuous Place in Every Pennsylvania Business Governed by the Minimum Wage Act

The Pennsylvania Minimum Wage Act establishes a fixed Minimum Wage and Overtime Rate for employees. It also sets forth compliance-related duties for the Department of Labor & Industry and for employers. In addition, the Minimum Wage Act provides penalties for noncompliance. This summary is for general information only and is not an official position formally adopted by the Department of Labor & Industry.

Overtime Rate:

Workers shall be paid 1½ times their regular rate of pay after 40 hours worked in a workweek (Except as Described Below and Within).

Tipped Employees:

An employer may pay a minimum of \$2.83 per hour to an employee who makes \$30.00 per month in tips. The employer must make up the difference if the tips and \$2.83 do not meet the regular Pennsylvania minimum wage.

Keeping Records:

Every employer must maintain accurate records of each employee's earnings and hours worked, and provide access to Labor & Industry.

Penalties:

Failure to pay the legal minimum wage or other violations may result in payment of back wages and other civil or criminal action where warranted.

Exemptions:

Overtime applies to certain employment classifications. (see pages 2 and 3)

Special Allowances For:

Students, learners and people with disabilities, upon application only.

Minimum Wage Rate:

**\$6.25 per hour Effective
January 1, 2007**

**\$7.15 per hour Effective
July 1, 2007**

(Except as Described Below and Within)

Training Wage for Employees Under 20 Years Old:

\$5.15 per hour *only for employees under 20 years old for the first 60 calendar days of employment.* After 60 days, the regular Pennsylvania minimum wage must be paid. Employers must notify these employees at the time of hire of this wage and their right to receive the regular Pennsylvania minimum wage after 60 calendar days. Current employees may not be displaced, have their hours reduced or have their wages or employment benefits reduced to allow hiring of persons eligible for the training wage.

Employees of Businesses with the Equivalent of 10 or Less Full-Time Employees:

An employer with the equivalent of 10 or less full-time employees may pay a minimum wage rate according to the following schedule:

\$5.65 per hour Effective January 1, 2007
\$6.65 per hour Effective July 1, 2007
\$7.15 per hour Effective July 1, 2008

Exemptions from Both Minimum Wage and Overtime Rates

- Labor on a farm
- Domestic service in or about the private home of the employer
- Delivery of newspapers to the consumer
- Publication of weekly, semi-weekly or daily newspaper with a circulation of less than 4,000 when the major portion of circulation is in the county where published or a bordering county
- Bona fide executive, administrative or professional capacity, (including academic administrative personnel or teacher in public schools) or in capacity of outside salesman. However, an employee of a retail or service establishment shall not be excluded from the definition of employee employed in a bona fide executive or administrative capacity because of the number of hours in the employee's work not directly or closely related to the performance of executive, professional or administrative activities, if less than 40% of the employee's hours worked in the workweek are devoted to such activities.
- Educational, charitable, religious, or nonprofit organization where no employer-employee relationship exists and service is rendered gratuitously
- Golf caddy
- In seasonal employment, if the employee is under 18 years of age or if a student under 24 years of age is employed by a nonprofit health or welfare agency engaged in activities dealing with handicapped or exceptional children or by a nonprofit day or resident seasonal recreational camp for campers under the age of 18 years, which operates for a period of less than three months in any one year
- In employment by a public amusement or recreational establishment, organized camp, or religious or nonprofit educational conference center, if (i) it does not operate more than seven months a year or (ii) during the preceding calendar year, the average receipts for any 6 months were not more than 33½% of its average receipts for the other 6 months of such year
- Switchboard operator employed by an independently-owned public telephone company which has no more than 750 stations
- Employees not subject to civil service laws who hold elective office or are on the personal staff of such an officeholder, are immediate advisers to the officeholder, or are appointed by the officeholder to serve on a policy making level

Allowances

Wages paid to any employee may include reasonable cost of board, lodging and other facilities. This may be considered as part of the minimum wage if the employee is notified of this condition and accepts it as a usual condition of employment at the time of hire or change of classification. The wages, including food credit plus tips, must equal the current minimum wage.

Board: Food furnished in the form of meals on an established schedule.

Lodging: Housing facility available for the personal use of the employee at all hours.

Reasonable Cost: Actual cost, exclusive of profit, to the employer or to anyone affiliated with the employer.

Exceptions from Minimum Wage Rates

- Learners and students (bona fide high school or college), after obtaining a Special Certificate from the Bureau of Labor Law Compliance, (1301 L&I Bldg., 7th & Forster Sts., Harrisburg, PA 17121) may be paid 85% of the minimum wage as follows:

Learners: 40 hours a week. Maximum eight weeks

Students: Up to 20 hours a week. Up to 40 hours a week during school vacation periods

- Individuals with a physical or mental deficiency or injury may be paid less than the applicable minimum wage if a license specifying a rate commensurate with productive capacity is obtained from the Bureau of Labor Law Compliance, (1301 L&I Bldg., 7th & Forster Sts., Harrisburg, PA 17121), or a federal certificate is obtained under Section 14(c) of the Fair Labor Standards Act from the U.S. Department of Labor.

Exemptions from Overtime Rates

- A seaman
- Any salesman, partsman or mechanic primarily engaged in selling and servicing automobiles, trailers, trucks, farm implements or aircraft, if employed by a non-manufacturing establishment primarily engaged in the selling of such vehicles to ultimate purchasers. (Example: 51% of business is selling as opposed to 49% in servicing such vehicles)
- Taxicab driver
- Any employee of a motor carrier the Federal Secretary of Transportation has power to establish qualifications and maximum hours of service under 49 U.S.C. Section 3102 (b)(1) and (2) (relating to requirements for qualifications, hours of service, safety and equipment standards)

- Announcer, news editor, chief engineer of a radio or television station, the major studio of which is located in:
 - City or town of 100,000 population or less, if it is not part of a standard metropolitan statistical area having a total population in excess of 100,000; or
 - City or town of 25,000 population or less, which is part of such an area but is at least 40 airline miles from the principal city in the area
- Any employee engaged in the processing of maple sap into sugar (other than refined sugar) or syrup
- Employment by a motion picture theatre

For Questions/Complaints

Contact:	Counties Served:		
<p>Bureau of Labor Law Compliance Altoona District Office 1130 Twelfth Avenue Suite 200 Altoona, PA 16601-3486 Phone: 814-940-6225 or 1-877-792-8198</p>	Armstrong Bedford Blair Cambria Cameron Centre Clarion Clearfield	Clinton Elk Fayette Forest Fulton Huntingdon Indiana	Jefferson McKean Mifflin Potter Somerset Warren Westmoreland
<p>Bureau of Labor Law Compliance Harrisburg District Office 1301 L & I Bldg. 7th and Forster Sts. Harrisburg, PA 17121 Phone: 717-787-4671 or 1-800-932-0665</p>	Adams Columbia Cumberland Dauphin Franklin Juniata Lancaster	Lebanon Montour Northumberland Perry Snyder Union York	
<p>Bureau of Labor Law Compliance Philadelphia District Office 1103 State Office Bldg. 1400 Spring Garden St. Philadelphia, PA 19130 Phone: 215-560-1858 or 1-877-817-9497</p>		Bucks Chester Delaware Montgomery Philadelphia	
<p>Bureau of Labor Law Compliance Pittsburgh District Office 1201 State Office Bldg. 300 Liberty Avenue Pittsburgh, PA 15222 Phone: 412-565-5300 or 1-877-504-8354</p>	Allegheny Beaver Butler Crawford Erie	Greene Lawrence Mercer Venango Washington	
<p>Bureau of Labor Law Compliance Scranton District Office 201-B State Office Bldg. 100 Lackawanna Avenue Scranton, PA 18503 Phone: 570-963-4577 or 1-877-214-3962</p>	Berks Bradford Carbon Lackawanna Lehigh Luzerne	Lycoming Monroe Northampton Pike Schuylkill	Sullivan Susquehanna Tioga Wayne Wyoming

More Information is Available Online

Additional information about the Minimum Wage Act is available online at: www.state.pa.us, PA Keyword: Minimum Wage. From the Web site **you can submit a complaint form**, find answers to **frequently asked questions** and read more about the Minimum Wage Act.