

No. 192

AN ACT

HB 2042

Amending the act of July 14, 1961 (P.L.637), entitled "An act relating to the payment of wages or compensation for labor or services; providing for regular pay days; conferring powers and duties upon the Department of Labor and Industry, including powers and duties with respect to the civil collection of wages; providing civil and criminal penalties for violations of the act; providing for their collection and disposition and providing for additional civil damages," providing for the payment of union dues and fringe benefits by employers and further providing for penalties and liquidated damages.

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

Section 1. Section 3, act of July 14, 1961 (P.L.637), known as the "Wage Payment and Collection Law," is amended to read:

Section 3. Regular Payday.—(a) Every employer shall pay all wages due to his employes on regular paydays designated in advance by the employer. Overtime wages may be considered as wages earned and payable in the next succeeding pay period. All wages earned in any pay period shall be due and payable within the number of days after the expiration of said pay period as provided in a written contract of employment or, if not so specified, within the standard time lapse customary in the trade or within 15 days from the end of such pay period. The wages shall be paid in lawful money of the United States or check, except that deductions provided by law, or as authorized by regulation of the Department of Labor and Industry for the convenience of the employe, may be made including deductions of contributions to employes' welfare and pension plans which are subject to the "Federal Welfare and Pension Plans Disclosure Act."

(b) Every employer who by collective agreement deducts union dues from employes' pay or agrees to pay or provide fringe benefits, including but not limited to, health, welfare and retirement benefits, vacation, separation or holiday pay, must do so within 30 days after such payments are required to be made to the union in case of dues or to a trust or pooled fund, or within 10 days after such payments are required to be made directly to the employe.

Section 2. Section 9 of the act is amended by adding a subsection to read:

Section 9. Notice to Employer and Penalties.—

* * *

(b.1) Additional Penalties. In addition to any other penalty or punishment otherwise prescribed by law, any employer who is party to an agreement to pay or provide benefits or wage supplements to an employe or deduct his union dues and who knowingly and

intentionally fails or refuses to pay the amount or amounts necessary to provide such benefits or furnish such supplements or remit such dues to the union within thirty days after such payments are required to be made, or within sixty days of the date when proper claim was filed by the employe in situations where no required time for payment is specified, shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of five hundred dollars (\$500) or by imprisonment for not more than one year, or by both such fine and imprisonment. Where such employer is a corporation, the president, secretary, treasurer or officers exercising corresponding functions shall each be guilty of a misdemeanor. As used in this subsection, the term "benefits or wage supplements" includes but is not limited to reimbursement for expenses; health, welfare and retirement benefits; and vacation, separation, holiday pay, or guaranteed pay.

* * *

Section 3. Section 10 of the act, amended July 31, 1968 (P.L.1017), is amended to read:

Section 10. Liquidated Damages.—Where wages remain unpaid for thirty days beyond the regularly scheduled payday, *or, in the case where no regularly scheduled payday is applicable, for sixty days beyond the filing by the employe of a proper claim or for sixty days beyond the date of the agreement, award or other act making wages payable*, or where shortages in the wage payments made exceed five percent (5%) of the gross wages payable on any two regularly scheduled paydays in the same calendar quarter, and no good faith contest or dispute of any wage claim including the good faith assertion of a right of set-off or counter-claim exists accounting for such non-payment, the employe shall be entitled to claim, in addition, as liquidated damages an amount equal to the amount of the claim still unpaid and not in contest or disputed: Provided, however, That the amount of such liquidated damages shall not exceed two hundred dollars (\$200) or six percent (6%) of the claim, whichever is greater.

APPROVED—The 12th day of July, A. D. 1972.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly No. 192.



Secretary of the Commonwealth.