

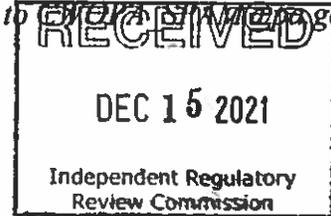
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**Kathy Cooper**

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**From:** Elizabeth Weaver <info@email.actionnetwork.org>  
**Sent:** Wednesday, December 15, 2021 3:12 PM  
**To:** Smolock, Bryan  
**Subject:** [External] Comments on Regulation #12-114: Minimum Wage, updates to the regulations governing tipped employees, and the calculation of overtime for salaried employees

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Mr. Bryan Smolock,

To Whom it May Concern,

I'm writing to express my strong support for the Department of Labor and Industry's proposed updates to the Minimum Wage regulations, which relate to tipped employees and the overtime calculation for salaried employees.

Pennsylvania employees should be fairly compensated for their work, and the regulations they work under should be up to date, not based on wage levels from a half a century ago. The proposed changes and clarifications would help achieve these goals by modernizing regulations governing tipped workers, increasing workers' earnings, and ensuring that tips for those who work primarily as tipped workers are not unfairly siphoned off by businesses and managers.

Pennsylvania's woefully inadequate tipped minimum wage per hour currently tempts employers to count more workers as tipped employees so they can pay them a base wage of as little as \$2.83 per hour with tips bringing them up to PA's current minimum wage of \$7.25 per hour. These regulations would limit those who can be paid a base wage below \$7.25 per hour to workers earning a meaningful dollar amount in tips (\$135 per month rather than \$30 month, the first updating of this figure since 1977); and to who those who perform tipped duties most of the time (at least 80%).

These regulations would also limit erosion of tips for genuine tipped workers by prohibiting payment of credit card fees with tips and limiting "tip pooling" through which employers cover

the regular minimum wage of non-tipped workers with tips. Other parts of this regulation provide additional protections for tipped workers.

A separate part of these regulations, involving the calculation of the regular rate for overtime for salaried employees, would deliver basic fairness to lower-paid, salaried employees entitled to overtime by paying their overtime based on their pay averaged over a 40-hour work week. These employees would receive a real time-and-a-half pay for their hours over 40—one based on an hourly rate equal to their salary divided by 40.

Before the pandemic, research showed that typical tipped workers in the United States do not work in high-end restaurants and bars but are paid low wages and subject to high rates of sexual harassment. Then, in the COVID-19 pandemic, thousands of Pennsylvania's tipped and service industry workers suffered a twofold blow, sometimes losing hours or jobs and other times exposed to risk of infection in restaurants, salons, hotels, and other occupations, as well as harassment from patrons opposed to mask mandates. These long-overdue regulatory changes will modestly improve the pay of tipped workers and some lower-paid salary workers. These regulations could also benefit employers because employees will be more willing to return to work if workplaces offer fair treatment.

There is much more to be done—including eliminating the tipped minimum wage and restoring an increase in the Pennsylvania salary level below which salaried employees automatically receive overtime—but these regulations would positively impact Pennsylvania workers and should be enacted. I personally think that even the proposed increases to the minimum wage is insufficient. No worker in this country, tipped or otherwise, should be making less than \$25 per hour. I've heard too many conservatives claim these jobs are held by teens and college kids who are living at home. Why is that an excuse to pay them less? In the 1970's when I was in school, many of the boys I went to school with had relatives who worked at ALCOA or US Steel. These companies had summer programs for college kids. At the time, these summer jobs paid enough to cover tuition and books for the University of Pittsburgh if the student stayed at home and worked as a day student, therefore eliminating housing and food costs (assuming parents were still providing those).

These jobs are no longer available. Many students are providing most or all of their college expenses. Even those getting some financial aid (other than federal or private loans) receive much less as a percentage of their total costs than in past years. And, for those in my generation, bankruptcy from student debt was an option. No more! Congress made sure of that so we now have students with debt load equivalent to mortgages that will be with them for

20 to 30 years. These young adults will never be able to own homes, have a chance at a real family life or be able to plan for a future or a retirement. We have basically forced them into a type of indenture servitude, although no one really wants to say that out loud.

This current bill must be passed, but it needs to be the first of many steps to bring PA wages up to a sufficient standard to allow a living wage for all Pennsylvanian's in the 21st century

Sincerely

Elizabeth Veronica Weaver

Elizabeth Weaver

elizabeth.v.weaver@gmail.com

46 Moore Ave

Jeannette, Pennsylvania 15644