

Commonwealth of Pennsylvania Enhanced Minimum Wage Provision

In March 2016, Commonwealth Executive Order 2016-02 'Minimum Wage for Employees of the Commonwealth and of Organizations Receiving State Contracts' (<https://www.governor.pa.gov/newsroom/executive-order-2016-02-minimum-wage-for-employees-of-the-commonwealth-and-of-organizations-receiving-state-contracts/>) was enacted.

This executive order is included in the new COP Master Agreement but will be followed by Penn State for all awards and agreement types (purchase orders, grants, contracts, etc.). Penn State will also follow these wage requirements whether Commonwealth or federal pass-through funding. Effective July 1, 2021, the minimum wage requirement for those working on Commonwealth agreements will be \$13.50 and increase by fifty cents per hour each July 1 until July 1, 2024, at which time it will be \$15/hour.

For years subsequent to July 2024, the minimum wage rate would be increased by an annual cost-of-living adjustment using the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for Pennsylvania, New Jersey, Delaware, and Maryland. The applicable adjusted amount shall be published in the Pennsylvania Bulletin by March 1 of each year to be effective the following July 1.

Exceptions. These Enhanced Minimum Wage Provisions shall not apply to employees:

- 1) Exempt from the minimum wage under the Minimum Wage Act of 1968
- 2) Covered by a collective bargaining agreement
- 3) Required to be paid a higher wage under another state or federal law governing the services, including the Prevailing Wage Act and Davis-Bacon Act, or
- 4) Required to be paid a higher wage under any state or local policy or ordinance

1. Notice. UNIVERSITY shall post these Enhanced Minimum Wage Provisions for the entire period of the contract conspicuously in easily accessible and well-lighted places customarily frequented by employees at or near where the contracted services are performed.

2. Records. UNIVERSITY must maintain and, upon request and within the time periods requested by the Commonwealth, furnish all employment and wage records necessary to document compliance with these Enhanced Minimum Wage Provisions.

3. Sanctions. Failure to comply with these Enhanced Minimum Wage Provisions may result in the imposition of sanctions, which may include, but shall not be limited to, termination of the agreement, nonpayment, debarment, or referral to the Commonwealth's Office of General Counsel for appropriate civil or criminal referral.

4. Subcontractors. Penn State shall include the provisions of these Enhanced Minimum Wage Provisions in every subcontract/subaward so that these provisions will be binding upon each subcontractor/subawardee.