



# Executive Order

## Commonwealth of Pennsylvania

### Governor's Office

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## Executive Order 2016-02 As Amended – Minimum Wage for Employees of the Commonwealth and of Organizations Receiving State Contracts

Date: January 25, 2022

By Direction of:   
Tom Wolf, Governor

- WHEREAS, the inflation-adjusted hourly earnings of the bottom fifth of Pennsylvania workers are lower today than they were in 1968; and
- WHEREAS, the shifts in the labor market, economy, and public health have led workers to seek out quality jobs to meet their needs; and
- WHEREAS, quality jobs require wages that keep up with rising costs so individuals can maintain or grow their purchasing power; and
- WHEREAS, studies have consistently shown that an increase in the minimum wage will result in increased consumer spending at Pennsylvania businesses; and
- WHEREAS, studies have consistently shown that increases in the minimum wage have not reduced the employment of low-wage workers; and
- WHEREAS, an increase in the minimum wage will lead to increases in employee morale, productivity, and quality of work and decreases in turnover and training costs; and
- WHEREAS, it is the policy of this administration to increase efficiency and achieve cost savings in state government; and
- WHEREAS, the minimum wage increases since 2016 under this Executive Order have raised the standards to better align with current cost of living for Commonwealth employees and applicable contractor employees; and
- WHEREAS, accelerating the increase in the minimum wage will achieve even greater efficiency and cost savings for state government and reduce state expenditures on income support programs.

NOW, THEREFORE, I, Tom Wolf, Governor of the Commonwealth of Pennsylvania, by virtue of the authority vested in me by the Constitution of the Commonwealth of Pennsylvania and other laws do hereby order and direct the following:

**1. Minimum Wage.**

All employees covered by this Executive Order, other than tipped employees, shall be paid no less than:

- a. \$15.00 per hour after the effective date of this Executive Order.
- b. Beginning 2023 and thereafter, the minimum wage rate will 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 application amount shall be published in the Pennsylvania Bulletin by March 1 of each year to be effective the following July 1.
- c. Employees of contractors and lessors covered by Section 2.b with contracts or leases that were executed prior to the issuance of this amended Executive Order and contain requirements for an enhanced minimum wage shall continue to operate under the contract or lease requirements unless a bilateral modification is negotiated and executed.

**2. Coverage.**

The employees covered by this Executive Order are:

- a. Employees of Commonwealth agencies under the jurisdiction of the Governor.
- b. Employees, as defined in the *Minimum Wage Act of 1968*, who, as set forth in a new lease of property or contract for services or construction executed after the effective date of this Executive Order that exceeds the applicable small purchase threshold and is entered into with a Commonwealth agency under the jurisdiction of the Governor, including bilateral modifications to existing leases or contracts,
  - (1) directly perform services or construction; or
  - (2) directly perform services for the Commonwealth and are employed by a lessor of property to the Commonwealth; or
  - (3) spend at least 20 percent of their working time in a given work week performing an ancillary service.

**3. Implementation.**

All Commonwealth agencies under the jurisdiction of the Governor shall take all steps necessary to implement this Executive Order. Independent agencies, state-affiliated entities, and state-related institutions are also strongly encouraged to implement this Executive Order.

**4. Sanctions.**

Failure of a covered contractor or lessor to comply with the provisions of this Executive Order may result in the imposition of sanctions, which may include, but shall not be limited to, termination of the contract or lease, nonpayment, debarment, or referral to the Office of General Counsel for appropriate civil or criminal referral.

**5. Application.**

- a.** Nothing in this Executive Order shall be construed to contravene or supersede:
  - (1)** Any state or federal law or collective bargaining agreement; or
  - (2)** Any state or local policy requiring a covered employee to be paid more than the minimum wage required by this Executive Order.
- b.** The provisions of this Executive Order shall not be applicable when such provisions may jeopardize the receipt of Federal funds.
- c.** This Executive Order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the Commonwealth of Pennsylvania, its departments, agencies or entities, its officers, employees or agents, or any other person.

**6. Effective Dates.**

This Executive Order shall take effect on the following dates and shall remain in effect until modified or rescinded:

- a.** For employees described in Section 2(a) of this Executive Order, on January 31, 2022.
- b.** For employees described in Section 2(b) of this Executive Order, on the effective date of the applicable contract or lease solicited or bilaterally modified on or after July 1, 2022.