



Pennsylvania Compensation Rating Bureau

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PENNSYLVANIA TEST AUDIT PROGRAM

BULLETIN #90

Re: MINIMUM WAGE ADJUSTMENT

This bulletin is an update of Bulletin #15 issued on January 25, 1991.

Under Section 1, Rule V., B., 2., o. of the Pennsylvania Workers Compensation Manual remuneration includes:

- Adjustments necessary to bring employees to minimum wage.

Under Section 1, Rule V., B., 3., e. of the Pennsylvania Workers Compensation Manual remuneration excludes:

- Tips and other gratuities received by employees.

All carriers are required to include an adjustment to equal the current minimum wage. The auditor should verify if all employees wages equal or exceed the regular federal minimum wage. If not, the following adjustments should be made assuming the current minimum hourly wage for tipped employees is included.

1. Determine the average number of full time tipped employees and the normal work week hours.
 - 35 hour week x (the difference of federal minimum wage and tipped employee minimum wages) x number tipped employees x 52 weeks
2. Determine the average number of part-time tipped employees and the normal work week hours.
 - Number of hours x (the difference of federal minimum wage and the tipped employee minimum) x the number of tipped employees x 52 weeks

The combination of the two items above would provide a reasonable adjustment to minimum wage. The current federal minimum wage rates (unchanged since 10/1/97) are as follows:

Regular	Tipped Employees
\$5.15	\$2.13