

PANORAMIC

EMPLOYMENT: NORTH AMERICA

USA - Pennsylvania

 LEXOLOGY



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USA - Pennsylvania

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STATE SNAPSHOT

Key considerations

Which issues would you most highlight to someone new to your state?

While federal law generally applies to employers with 15 or more employees, Pennsylvania law applies to employers with four or more employees.

The scope of Pennsylvania's anti-discrimination statute – the PHRA – is currently being litigated, particularly whether its prohibition on discrimination on the basis of "sex" includes a prohibition on discrimination based on sexual orientation and/or gender identity or expression.

Some Pennsylvania statutes include individual liability, depending on scope of involvement. For example, under the Pennsylvania Wage Payment and Collection Law, executive officers can be held individually liable if they played an active role in the decision not to pay wages to an employee. Likewise, under the Pennsylvania Human Relations Act, individual employees can be held liable if they aid and abet discrimination in the workplace.

Under Pennsylvania law, continued employment is not sufficient consideration for a valid restrictive covenant agreement. Instead, restrictive covenant agreements must be secured either at the start of the employment relationship or after receipt of new and valuable consideration, such as increased compensation or a promotion.

Law stated - 14 June 2025

Key considerations

What do you consider unique to those doing business in your state?

Pennsylvania's anti-discrimination and retaliation statute (Pennsylvania Human Relations Act) applies to a broader range of employers than federal law. Additionally, the PHRA and Pennsylvania's statute addressing wage and hour law (Pennsylvania Wage Payment and Collection Law) have individual liability, when federal law typically does not. Finally, like some other states in the country, Pennsylvania has a large metropolitan area (i.e., the City of Philadelphia), which provides its own employment laws of which employers must be aware.

Law stated - 14 June 2025

Key considerations

Is there any general advice you would give in the labor/employment area?

Employers should consult with a Pennsylvania licensed attorney when confronted with a labor and employment issue. Where litigation is unavoidable and federal court is not an option, employers should be aware that state courts in Pennsylvania follow unique, if not arcane, rules of civil procedure and evidence.

Law stated - 14 June 2025

Emerging issues

What are the emerging trends in employment law in your state, including the interplay with other areas of law, such as firearms legislation, legalization of marijuana and privacy?

In the past few years, Pennsylvania has passed and/or amended some of its existing laws to be more protective of employee rights. And, Philadelphia – Pennsylvania's largest city – has been even more active in doing so. For example, in 2023 the Pennsylvania Human Relations Commission passed new regulations expanding the bases upon which employers may not discriminate against or harass employees under the Pennsylvania Human Relations Act (PHRA). In particular, these changes now prohibit discrimination against, or harassment of employees based upon, an expanded definition of race and sex. Additionally, in July 2024, Governor Shapiro signed the Fair Contracting for Health Care Practitioners Act, which restricts the ability of employers to enter into non-compete covenants with healthcare practitioners.

With these changes, however, Pennsylvania has not expanded employee rights or protections as much as other states throughout the country, such as California, Illinois, and New York.

Law stated - 14 June 2025

Proposals for reform

Are there any noteworthy proposals for reform in your state?

Pennsylvania legislators and Governor Joshua Shapiro have proposed increasing the state's minimum wage to \$15 per hour. The Pennsylvania House of Representatives passed a bill to increase the minimum wage in June 2023 but that bill did not make it through the state Senate. There has been renewed effort to pass similar bills to increase the minimum wage since then.

Additionally, in May 2024, the Pennsylvania House passed a bill to amend the Pennsylvania Equal Pay Law to also prohibit pay discrimination based on race and ethnicity, add protections for retaliation, and require employers to include expected compensation or the compensation range for any position advertised as a job opening (and upon reasonable request).

Law stated - 14 June 2025

EMPLOYMENT RELATIONSHIP

State-specific laws

What state-specific laws govern the employment relationship?

In Pennsylvania, several state-specific laws are applicable to the employment relationship. The most significant laws regulating the employment relationship are the following:

- PHRA

- Pennsylvania Minimum Wage Act (PMWA)
- Pennsylvania Wage Payment and Collection Law (PWPCCL)
- Pennsylvania Equal Pay Law (PEPL)
- Pennsylvania Whistleblower Law (PWL)

Law stated - 14 June 2025

State-specific laws

Who do these cover, including categories of workers?

The PHRA generally covers employers with four or more employees and applies to employees, applicants, and independent contractors.

The PMWA covers employers and any person acting in an employer's interest in relation to employees and applies to any individual employed by an employer.

The PWPCCL covers employers and, in some cases, employers' agents and officers. The PWPCCL is protective of the wages of employees, including senior executives, inclusive of earnings along with fringe benefits or wage supplements.

The PEPL generally covers employers and any person acting in the interest of an employer in relation to employees and applies to employees who are not covered by the federal minimum wage law.

The PWL covers public bodies and certain employers who receive public funding to perform work or services and applies to persons who perform services for wages or other remuneration under a contract.

Law stated - 14 June 2025

Misclassification

Are there state-specific rules regarding employee/contractor misclassification?

Pennsylvania does not have a single definition of independent contractor. Rather, varying tests are applied to determine whether a worker is properly classified as an independent contractor depending on the law at issue.

Under Pennsylvania common law, courts consider a variety of factors to determine whether an employee/employer relationship exists. The primary factors are control over the work being completed and the manner in which it is to be performed. For purposes of wage and hour law, the Pennsylvania Minimum Wage Act adopts the economic reality test used by federal courts when analyzing the Fair Labor Standards Act.

In addition, the Pennsylvania Department of Labor and Industry administers the Construction Workplace Misclassification Act that provides a specific definition of independent contractors in the construction industry.

Law stated - 14 June 2025

Contracts

Must an employment contract be in writing?

No. Employment contracts may be written or oral.

Law stated - 14 June 2025

Contracts

Are any terms implied into employment contracts?

Employees owe a common law duty of loyalty to their employers. This duty requires an employee to act in good faith and solely for the benefit of their employer in all matters for which the employee is employed.

Law stated - 14 June 2025

Contracts

Are mandatory arbitration agreements enforceable?

Yes. Mandatory arbitration agreements are generally enforceable, provided that (1) the employee manifests an intent to be bound by the agreement, (2) the agreement's terms are sufficiently definite, and (3) there is an exchange of consideration, such as new or continued employment.

Law stated - 14 June 2025

Contracts

How can employers make changes to existing employment agreements?

Agreements may be modified by a subsequent agreement, provided that the subsequent agreement satisfies contract formation requirements.

Parties may orally modify a written contract even when they previously agreed that further modifications would be made in writing, but this requires proof by persuasive evidence of the intent to waive the requirement that amendments be made in writing.

Law stated - 14 June 2025

HIRING

Advertising

What are the requirements relating to advertising open positions?

Pennsylvania law generally tracks federal law relating to advertising open positions. It is unlawful to print or publish any notice or advertisement relating to employment indicating a

preference, limitation, specification or discrimination based upon characteristics protected by the Pennsylvania Human Relations Act, unless such preference is based upon a good-faith occupational qualification for employment.

In addition, under the PA Code, employment agencies are specifically prohibited from advertising a position unless the agency has a current, legitimate job order for that position. And, pursuant to the PA Code, advertisements for positions published by an employment agency must accurately reflect the information and requirements given by the employer in seeking the agency's services in supplying candidates for the position.

Law stated - 14 June 2025

Background checks

(a) Criminal records and arrests

Pursuant to the Pennsylvania Criminal History Record Information Act (CHRIA), in deciding whether to hire an applicant, an employer may only use information that is part of the applicant's criminal history record if it relates to the applicant's suitability for the position. Additionally, under the CHRIA, employers may only consider felony or misdemeanor-level convictions when making hiring decisions.

Employers should not consider an arrest that did not result in a conviction, a pending criminal case, or an offense that does not rise to the level of a misdemeanor or felony (such as a summary level offense).

There are also local laws, such as the Philadelphia Fair Criminal Record Screening Standards Ordinance (FCRSSO) and Erie County's fair chance ordinance (the Erie Ordinance), which place additional restrictions and requirements on employers who consider criminal history when making employment decisions, and which supplement existing obligations that may apply to the employer under the Fair Credit Reporting Act (FCRA) and the CHRIA.

Under the FCRSSO, employers are prohibited from making any inquiry regarding (or from requiring any person to disclose or reveal) any criminal convictions during the "Employment Process," unless the employer is legally required to do so. The "Employment Process" is defined broadly as "the process by which an employer assesses the suitability of an Applicant for prospective employment or consideration of any aspect of the Employee's re-employment or continued employment, including promotion, raise or termination." In practice, this means that the FCRSSO prohibits employers from requiring applicants or employees to disclose their conviction history at any time, regardless of whether the employer has extended an applicant a conditional offer of employment or hired an employee. However, employers may still conduct a criminal background check after extending an offer of employment.

Under the Erie Ordinance, covered employers may inquire about an applicant's criminal history and perform a criminal background check, so long as they first extend a conditional offer of employment to the applicant.

Both laws also limit the types of conviction information employers can request and consider when evaluating an applicant's or employee's eligibility for employment. For example, under the FCRSSO, employers may only base an adverse employment action on an employee or applicant's conviction history if the prospectively disqualifying conviction occurred within the

preceding seven-year period. Under the Erie Ordinance, employers may consider conviction records from the last 10 years. The applicable lookback period under both laws must be calculated from the date of the conviction and thus cannot be extended to a later date associated with the conviction record, such as the applicant or employee's release from prison or parole.

The FCRSSO and Erie Ordinance also respectively require employers to perform an individualized assessment that includes an analysis of the following factors before basing an adverse employment decision on an individual's conviction history:

1. The nature of the offense;
2. The time that has passed since the offense;
3. The applicant's employment history before and after the offense and any period of incarceration;
4. The particular duties of the job being sought;
5. Any character or employment references provided by the applicant; and
6. Any evidence of the applicant's rehabilitation since the conviction.

If, after performing the six-factor assessment, an employer still decides to base an adverse action on an applicant or employee's conviction record, the employer must: (1) notify the individual in writing of the preliminary disqualification decision; (2) notify the individual of the basis for the decision; and (3) provide the applicant or employee with a copy of the criminal history report. The employer must then wait 10 business days before rendering a final decision to allow the individual to respond to the notice. If the applicant or employee submits a response to the preliminary adverse action notice, an employer must consider the information submitted before finalizing the adverse decision.

Law stated - 14 June 2025

Background checks

(b) Medical history

Pennsylvania employers may not use tests that tend to screen out individuals with a disability unless the tests can be shown as job-related. Pennsylvania employers that are subject to the Americans with Disabilities Act (ADA) should also be mindful of the limitations imposed on disability-related inquiries by the ADA, which generally prohibits inquiries seeking medical information before an offer is extended and which also requires that such inquiries be both job related and consistent with business necessity.

Law stated - 14 June 2025

Background checks

(c) Drug screening

Pennsylvania law does not regulate or prohibit private employers from performing drug tests. In addition, Pennsylvania law does not limit or regulate the types of substances an employer can screen for, or the circumstances under which a drug test can be performed. However, the US Court of Appeals for the Third Circuit has “predicted” that the Pennsylvania Supreme Court would apply a balancing test to determine whether an employer’s drug and alcohol testing program invades an employee’s privacy.

Pennsylvania’s Medical Marijuana Act (PMMA) generally prohibits employers from taking an adverse action against a medical marijuana cardholder because the employee is certified to use medical marijuana, unless the employee used, possessed, or was impaired by marijuana in the workplace. The PMMA does, however, include certain exemption for safety-sensitive positions. Additionally, a 2021 amendment to the Philadelphia code prohibits, with a few limited exceptions, Philadelphia employers from testing most applicants for marijuana as a condition of employment.

Law stated - 14 June 2025

Background checks

(d) Credit checks

Pennsylvania has not enacted a statute that limits employer discretion with respect to conducting credit checks or considering credit-related information. In addition, there is no Pennsylvania equivalent of the federal FCRA.

Under the Philadelphia Unlawful Credit Screening Practices in Employment Act, however, it is unlawful for an employer to request or consider credit information about an applicant or employee unless certain exceptions apply. In addition, the Philadelphia Unlawful Credit Screening Practices in Employment Act provides that an employer that intends to take an adverse employment action with respect to any person, based in whole or in part on credit information, must provide that person with a written copy of the information relied upon, the right to obtain and dispute such information, and such other information as may be required by applicable law, such as the federal FCRA.

Law stated - 14 June 2025

Background checks

(e) Immigration status

Pennsylvania employers cannot discriminate against employees based on immigration status. Once an employee has proven to be eligible to work in the United States, the individual’s immigration status cannot be used in any other employment decisions.

Law stated - 14 June 2025

Background checks

(f) Social media

There is no specific Pennsylvania statute precluding the use of social media when making employment-related decisions.

Law stated - 14 June 2025

Background checks

(g) Other

An employer cannot require an applicant to take a polygraph test as a condition of employment. An employer who violates this law is guilty of a second-degree misdemeanor.

Law stated - 14 June 2025

WAGE AND HOUR

Pay

What are the main sources of wage and hour laws in your state?

The Pennsylvania Minimum Wage Act.

Law stated - 14 June 2025

Pay

What is the minimum hourly wage?

As of July 2024, Pennsylvania's minimum wage is the same as the federal minimum wage (\$7.25/hour).

Law stated - 14 June 2025

Pay

What are the rules applicable to final pay and deductions from wages?

The Pennsylvania Wage Payment and Collection Law (PWPCCL) requires all earned wages of a terminated employee to be paid by the next regular payday. Deductions cannot be made absent specific, limited exceptions provided by the PWPCCL, which include deductions authorized in writing by the employee.

Law stated - 14 June 2025

Hours and overtime

What are the requirements for meal and rest breaks?

With the exception of employees who are minors, Pennsylvania employers are not required to give breaks to employees. Employers are required to provide break periods of at least 30 minutes to minor employees when they work five or more consecutive hours.

Law stated - 14 June 2025

Hours and overtime

What are the maximum hour rules?

The Pennsylvania Minimum Wage Act does not include a maximum hour rule, other than for minors.

Law stated - 14 June 2025

Hours and overtime

How should overtime be calculated?

Pennsylvania employers are required to pay an overtime rate equal to one-and-a-half times the employee's regular rate for any hours worked over 40 per workweek. The Pennsylvania Supreme Court has held that the Pennsylvania Minimum Wage Act does not permit employers to calculate an employee's regular rate of pay using the "fluctuating workweek" method permitted under federal law. As a result, when calculating the "regular rate" for salaried, non-exempt employees, an employer must divide the employee's fixed weekly salary by 40 hours, regardless of the number of hours the employee worked that week.

Law stated - 14 June 2025

Hours and overtime

What exemptions are there from overtime?

- Executive employees
- Administrative employees
- Professional employees
- Outside salespeople
- Aircraft, boat, and trailer salespeople
- Seamen
- Cab drivers
- Farm laborers
- Domestic service employees
- Air and motor carrier employees
- Newspaper deliverypersons
- Golf caddies

- Switchboard operators

Law stated - 14 June 2025

Record keeping

What payroll and payment records must be maintained?

For a period of three years, an employer must maintain records containing the following information for each employee:

- name;
- home address, including zip code;
- regular hourly rate of pay;
- occupation;
- starting and ending work times;
- the number of hours worked daily and weekly;
- total daily or weekly straight-time wages;
- total overtime compensation;
- additions to or deductions from wages;
- total wages paid; and
- dates of each payment and pay period covered.

Law stated - 14 June 2025

DISCRIMINATION, HARASSMENT AND FAMILY LEAVE

Protected categories

(a) Age?

The Pennsylvania Human Relations Act prohibits employers with four or more employees from discriminating against employees, applicants, and certain independent contractors and volunteers on the basis of certain enumerated protected characteristics. It also covers discrimination in housing, commercial property, education, and public accommodations.

The PHRA precludes discrimination based on age (i.e., 40 years of age and older).

Law stated - 14 June 2025

Protected categories

(b) Race?

The Pennsylvania Human Relations Act precludes discrimination based on race and skin color. In 2023, the Pennsylvania Human Relations Commission passed new regulations

explaining that discrimination on the basis of “race” includes traits associated with race, such as hair texture and protective hairstyles; ancestry, national origin, or ethnic characteristics; and interracial marriage or association.

In May 2024, the Pennsylvania House passed a bill to amend the Pennsylvania Equal Pay Law to also prohibit pay discrimination based on race and ethnicity, add protections for retaliation, and require employers to include expected compensation or the range for any position advertised as a job opening (and upon reasonable request). The bill is pending with the Pennsylvania Senate.

Law stated - 14 June 2025

Protected categories

(c) Disability?

The Pennsylvania Human Relations Act (PHRA) precludes discrimination based on disability, which can include disabilities related to pregnancy and childbirth. It also protects individuals who require the use of support animals for certain disabilities, such as blindness, deafness, or physical handicap.

The PHRA defines a disability as a physical or mental impairment that “substantially limits” one or more major life activities; a record of an impairment; and being regarded as having an impairment. An impairment does not include the current, illegal use of or addiction to a controlled substance. The PHRA requires covered employers to provide a reasonable accommodation to covered individuals with a handicap or disability unless doing so would cause an undue hardship.

Law stated - 14 June 2025

Protected categories

(d) Gender?

The Pennsylvania Human Relations Act precludes discrimination based on sex. In 2023, the PHRC released new regulations explaining that “sex” includes: (1) pregnancy status, (2) childbirth status, (3) breastfeeding status, (4) sex assigned at birth, (5) gender identity or expression, (6) affectional or sexual orientation, and (7) differences in sex development. In early 2025, inclusion of gender identity or expression and affectional or sexual orientation has been challenged as unlawful in court. The litigation remains ongoing as of mid-2025.

Additionally, the Pennsylvania Equal Pay Law prohibits discrimination based on gender in the rate of pay for jobs that require equal skill, effort, and responsibility, and which are performed under similar working conditions.

Law stated - 14 June 2025

Protected categories

(e) Sexual orientation?

In 2023, the Pennsylvania Human Relations Commission released new regulations explaining that “sex” in the Pennsylvania Human Relations Act includes gender identity or expression, affectional or sexual orientation, and differences in sex development. As of mid-2025, litigation challenging the inclusion of “sexual orientation” in the definition of “sex” as unlawful remains pending.

Law stated - 14 June 2025

Protected categories

(f) Religion?

The Pennsylvania Human Relations Act precludes discrimination based on religious creed, which the PHRC recently explained includes all aspects of religious observance and practice, as well as belief. Discrimination based on religious creed can be found due to failure to accommodate an individual’s religious beliefs, practices, or observances.

Law stated - 14 June 2025

Protected categories

(g) Medical?

The Pennsylvania Human Relations Act precludes discrimination based on medical impairments or conditions that constitute a disability, as defined above.

Law stated - 14 June 2025

Protected categories

(h) Other?

The Pennsylvania Military Affairs Act protects applicants and employees who are members of the National Guard or any one of the other reserve components of the US armed forces from employment discrimination.

Law stated - 14 June 2025

Harassment

What is the state law in relation to harassment?

The Pennsylvania Human Relations Act prohibits harassment on the basis of race, color, national origin, religion, pregnancy, handicap/disability, age, gender, use of support animals, and educational status.

Law stated - 14 June 2025

Family and medical leave

What is the state law in relation to family and medical leave?

Pennsylvania does not have a specific family and medical leave law, such as the federal Family and Medical Leave Act.

Law stated - 14 June 2025

PRIVACY IN THE WORKPLACE

Privacy and monitoring

What are employees' rights with regard to privacy and monitoring?

Pennsylvania has a number of state and local statutes (including some common law) regarding privacy in the employment relationship. Those laws relate to: criminal background checks; polygraph testing; telephone and computer monitoring; and substance use testing.

Additionally, the Pennsylvania Wiretapping and Electronic Surveillance Control Act (the Wiretap Act) limits an individual or entity's ability to monitor another's activities and communications. Under the Wiretap Act, it is a third-degree felony to intentionally intercept, disclose, or use (or attempt to do so) any wire, electronic, or oral communication without the consent of all parties. While the law prohibits the intentional interception of wire electronic or oral communication, it does not prohibit visual surveillance and it does not address violations by co-workers.

Under Pennsylvania law, a person, entity, or state agency is prohibited from: publicly posting or displaying an individual's Social Security number; printing a Social Security number on any card required for an individual to access products or services by the person, entity, or state agency; requiring an individual to send a Social Security number online using an unencrypted connection; requiring an individual to use their Social Security number to access a website; printing a Social Security number on materials mailed to an individual unless otherwise legally required; or disclosing the Social Security number of a person who applies for a recreational license.

Workplace searches are governed under Pennsylvania common law, specifically tort law in the area of privacy. Employees have a right to be free from searches that constitute a tortious invasion of privacy. In making this determination, Pennsylvania courts balance the employee's privacy interest and the employer's interest in operating its business in a certain fashion.

Law stated - 14 June 2025

Privacy and monitoring

Are there state rules protecting social media passwords in the employment context and/or on employer monitoring of employee social media accounts?

Pennsylvania has not enacted a state law regarding computer passwords, or limiting the monitoring of (or interception) employees' social media that would replace or supplement the federal Electronic Communications Privacy Act.

Law stated - 14 June 2025

Bring your own device

What is the latest position in relation to bring your own device?

Pennsylvania does not have a "bring your own device" law. However, employers that adopt and create ad hoc policies to allow employees to bring their own mobile devices for work-related use should clarify any employer requirements relating to maintaining company confidential information on those devices, along with the employer's access of any information or data on the employee's personal device, as applicable.

Law stated - 14 June 2025

Off-duty

To what extent can employers regulate off-duty conduct?

Pennsylvania law generally does not specify whether an employee's lawful off-duty activities are protected.

With respect to tobacco use, Pennsylvania law prohibits smoking in a public place, which includes workplaces, and does not prohibit owners of private or public property from prohibiting smoking on the property. However, certain exceptions apply, such as the workplace of a manufacturer, importer, or wholesaler of tobacco products; a manufacturer of tobacco-related products, including lighters; a tobacco leaf dealer or processor; a tobacco storage facility; and cigar bars and drinking establishments (with approval).

Additionally, Pennsylvania law permits the use of medical marijuana under the Medical Marijuana Act. The Medical Marijuana Act prohibits employers from discharging, threatening, refusing to hire, discriminating, or retaliating against an employee because of the employee's use of medical marijuana. However, the Act does not require an employer to accommodate the use of marijuana at the place of employment; limit the employer's right to discipline an employee for coming to work under the influence of medical marijuana when the employee's conduct falls below the normally accepted standard of care for that position; and/or require the employer to commit any act in violation of federal law.

Law stated - 14 June 2025

Gun rights

Are there state rules protecting gun rights in the employment context?

Pennsylvania does not have any laws that would interfere with an employer's right to ban an employee from bringing a gun onto company property. Without an express statute

addressing this, Pennsylvania courts generally provide employers the right to control the workplace.

Law stated - 14 June 2025

TRADE SECRETS AND RESTRICTIVE COVENANTS

Intellectual property

Who owns IP rights created by employees during the course of their employment?

Pennsylvania has no specific law on this issue, so federal law applies. Accordingly, Pennsylvania employers are generally not entitled to ownership of their employee's inventions unless the employee is specifically hired to create inventions or the employee agreed to assign any IP rights to the employer for work product created during their employment.

Law stated - 14 June 2025

Restrictive covenants

What types of restrictive covenants are recognized and enforceable?

Pennsylvania does not have a general statute or regulation governing restrictive covenants (non-competes), but courts applying Pennsylvania common law will find non-competes to be enforceable if they are:

- incident to an employment relationship between the parties and supported by consideration;
- reasonably necessary to protect the employer's legitimate interests; and
- reasonably limited in duration, scope, and geographic extent.

Courts in Pennsylvania have reiterated that non-compete agreements are not favored because they are restraints on trade. Therefore, courts will look at such restrictive covenants on a case-by-case basis to determine whether the burden on the employee of enforcing the covenants is reasonable in relation to the employer's legitimate interests.

Law stated - 14 June 2025

Non-compete

Are there any special rules on non-competes for particular classes of employee?

Pennsylvania does not have a general statute or regulation governing restrictive covenants (non-competes), but courts in Pennsylvania have reiterated that non-compete agreements are not favored because they are restraints on trade. Therefore, courts will look at such restrictive covenants on a case-by-case basis to determine whether the burden on the

employee of enforcing the covenants are reasonable in relation to the employer's legitimate interests.

However, with regard to non-compete covenants for health care practitioners, Governor Shapiro signed into law on July 17, 2024 the Fair Contracting for Health Care Practitioners Act, which restricts the ability of employers to enter into non-compete covenants with healthcare practitioners that "has the effect of impeding" such practitioners' ability to treat or accept new patients. The healthcare practitioners covered by this new law include physicians, osteopaths, certified registered nurse anesthetists, certified registered nurse practitioners, and physician assistants. One exception allows an employer to "enforce a noncompete covenant if the length of the noncompete covenant is no more than one year, provided that the health care practitioner was not dismissed by the employer."

Law stated - 14 June 2025

LABOR RELATIONS

Right to work

Is the state a "right to work" state?

Pennsylvania is not a "right to work" state.

Law stated - 14 June 2025

Unions and layoffs

Is the state (or a particular area) known to be heavily unionized?

Yes, Pennsylvania is one of the more heavily unionised states in the country, and the City of Philadelphia maintains the largest population of union membership within the state. According to the Bureau of Labor Statistics, in 2023, 12.9 per cent of wage and salary workers in Pennsylvania were union members, up from 12.7 per cent in 2022, during a year when union rates decreased nationwide. While there was a slight drop in 2024 to 11.7 per cent, Pennsylvania remains one of 20 states higher than the national average of 9.9 per cent.

Law stated - 14 June 2025

Unions and layoffs

What rules apply to layoffs? Are there particular rules for plant closures/mass layoffs?

Pennsylvania lacks its own state-level WARN Act, but the City of Philadelphia has the Worker Adjustment and Retraining Notification Act (WARN), requiring notice for group layoffs in the City of Philadelphia. Similar to the Federal WARN Act, the Philadelphia WARN Act requires written notice that shall include:

- 1.

The nature of the establishment affected by the closing or relocation of operations.

2.

The reasons for the proposed closing or relocation.

3.

An impact statement which shall include information concerning the:

- 1. employer's payroll.*
- 2. number of employees to be affected by the proposed action.*
- 3. wages and other remunerations paid to those employees.*
- 4. the employer's efforts, if any, to find suitable employment for affected employees.*
- 5. amount of local tax revenue that will be lost as a result of the proposed action.*

4.

The proposed date of closing or relocation.

5.

The employer's intentions, if any, to continue production at a new location.

6.

Any plans the employer might have to sell the establishment, including a statement as to whether the employees have been given first right of refusal to buy and operate the establishment.

Phila. WARN Act, § 9-1502.

Law stated - 14 June 2025

DISCIPLINE AND TERMINATION

State procedures

Are there state-specific laws on the procedures employers must follow with regard to discipline and grievance procedures?

Pennsylvania has no state-specific laws that govern employee discipline or grievance procedures. Attention should be paid, however, to any applicable collective bargain agreement, which may address such issues.

Law stated - 14 June 2025

At-will or notice

At-will status and/or notice period?

Pennsylvania is an at-will employment state. At-will employment status may be altered by agreement. Pennsylvania does not impose a particular notice period upon employers or employees. A notice period may be imposed by agreement.

Law stated - 14 June 2025

At-will or notice

What restrictions apply to the above?

Either the employee or the employer can terminate an at-will employment relationship at any time, provided that the reason for termination is not prohibited by law (e.g., unlawful discrimination or retaliation) or contract.

Law stated - 14 June 2025

Final paychecks

Are there state-specific rules on when final paychecks are due after termination?

The Pennsylvania Wage Payment and Collection Law requires that employees receive their final paycheck on or before the next regularly scheduled pay date following their termination. This requirement applies regardless of whether the employee's termination is voluntary or involuntary.

** We would also like to thank Sean Caulfield, Catherine Houseman, Chloe Leigh, Margaret McDowell, Mary Ann McNulty, Samantha Ojo, and Michael Taylor for their contributions.*

Law stated - 14 June 2025