

MEMORANDUM

DATE: August 19, 2025

TO: Philadelphia Employers

FROM: Philadelphia Dept. Of Labor – Office of Worker Protections (OWP)

SUBJECT: POWER Act Updates

On May 27, 2025, the [Protect Our Workers, Enforce Rights \(POWER\) Act](#) was signed into law and became effective immediately. This memo aims to provide guidance to Philadelphia employers by summarizing some of the most impactful changes to Philadelphia's worker protection ordinances and responding to some frequently asked questions.

Please note that this memo does not constitute legal advice.

What does the POWER Act do?

The POWER Act does two things: (1) amends three already-existing Philadelphia worker protection ordinances; and (2) creates two new Chapters that apply to all Philadelphia worker protection ordinances.

Specifically, the POWER Act amends the following ordinances:

1. Promoting Healthy Families and Workplaces (Paid Sick Leave) ([Phila. Code § 9-4100](#))¹
2. Wage Theft Complaints ([Phila. Code § 9-4300](#))
3. Protections for Domestic Workers ([Phila. Code § 9-4500](#))

Additionally, the POWER Act establishes two new Chapters governing worker protection in Philadelphia:

1. Protecting Victims of Retaliation ([Phila. Code § 9-6500](#))
2. Enforcement of Worker Protection Ordinances ([Phila. Code § 9-6600](#))

Did the POWER Act amend Philadelphia Fair Workweek Ordinance ([Phila. Code § 9-4600](#))?

No, the POWER Act did not amend the Philadelphia Fair Workweek Ordinance.

¹ The electronic version of the Philadelphia Code is current through July 1, 2025 and therefore incorporates all amendments and additions made by the POWER Act.
https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia_pa/0-0-0-266407

However, the POWER Act included the Fair Workweek Ordinance in its definition of a “Worker Protection Ordinance.” [Phila. Code § 9-6601\(8\)](#). Now, all Worker Protection Ordinances – including Fair Workweek – are governed by the new Retaliation ([Phila. Code § 9-6500](#)) and Enforcement ([Phila. Code § 9-6600](#)) Chapters.

Which ordinances did the POWER Act define as “Worker Protection Ordinances,” now governed by the new Retaliation ([Phila. Code § 9-6500](#)) and Enforcement ([Phila. Code § 9-6600](#)) Chapters?

The Power Act defines “Worker Protection Ordinances” to include the following Chapters of the Philadelphia Code:

Title	Philadelphia Code Chapter	Link to Resources
Promoting Healthy Families and Workplaces	Phila. Code § 9-4100	https://www.phila.gov/documents/paid-sick-leave-information/
Wage Theft Complaints	Phila. Code § 9-4300	https://www.phila.gov/documents/wage-theft-complaint/
Protections for Domestic Workers	Phila. Code § 9-4500	https://www.phila.gov/documents/domestic-workers-bill-of-rights-resources/
Fair Workweek Employment Standards	Phila. Code § 9-4600	https://www.phila.gov/documents/fair-workweek-resources/
Wrongful Discharge from Parking Employment	Phila. Code § 9-4700	https://www.phila.gov/documents/wrongful-discharge-from-parking-employment-resources/
Protecting Victims of Retaliation	Phila. Code § 9-6500	<i>New Chapter</i>

What are some of the main changes in the POWER Act that Philadelphia employers should be aware of?

Though each employer should familiarize itself with the full scope of the POWER Act, here are some important changes to note:

- **Recordkeeping** – Employers must now keep required records for **three years**. Employers must maintain records of:
 - hours worked by an employee, including dates;
 - hours of sick leave taken by an employee; and
 - any payments made to an employee for sick leave.
- **Increased Protection for Retaliation** – The Act makes it unlawful for employers to retaliate against employees who exercise their rights under any worker protection

ordinance.² This includes protections against adverse actions such as termination, demotion, or any form of discrimination.³

Additionally, there is a rebuttable presumption of unlawful retaliation if the employer takes an adverse action within 90 days of the employee's protected activity. This means that, when an employee exercises their rights under a worker protection ordinance (such as by filing a complaint, seeking information about their rights, communicating with another person about an alleged violation, etc.), if an employer takes an adverse action within 90 days, that adverse action will be presumed to be retaliation. An employer may overcome this presumption of retaliation by presenting evidence that they would have taken that action even if the employee had not exercised their rights.⁴

- **Paid Sick Leave Expansion** - The Act amends the Paid Sick Leave Ordinance to include a new formula for calculating the hourly rate for paid sick leave for tipped workers based on the average wage for Bartenders, Waiters & Waitresses, and Dining Room & Cafeteria Attendants & Bartender Helpers, as determined for Philadelphia County by the Pennsylvania Department of Labor. This hourly rate for tipped workers is the same rate that the Office of Worker Protections (OWP) is required to calculate each fiscal year for the Fair Workweek Tipped Rate for Predictability Pay. OWP publishes the updated rate in June of each year and publishes it online at <https://www.phila.gov/documents/fair-workweek-resources/>.⁵

The Act also defines a “tipped employee” as one who “customarily and regularly” receives more than \$50 per month in tips. Additionally, the Act requires employers to provide paid sick leave to probationary employees covered by collective bargaining agreements.

² “Protected activity” is defined in [Phila. Code § 9-6501\(11\)](#).

³ “Adverse action” is defined in [Phila. Code § 9-6501\(1\)](#).

⁴ Note that the rebuttable presumption of retaliation applies to employers who have knowledge that the employee engaged in protected activity. To overcome the presumption of retaliation, employers must have documented in writing the incident that led to the adverse action.

⁵ A direct link to the FY2026 Fair Workweek Tipped Wage letter is available here: <https://www.phila.gov/media/20250613134506/Fair-Workweek-Tipped-Wage-FY2026.pdf>.

As explained in Footnote 3 of that letter, “Under Chapter 9-4100 of the Philadelphia Code, entitled ‘Promoting Healthy Families and Workplaces,’ as amended on May 27, 2025, this same hourly rate of pay shall be used for the purposes of calculating paid sick time for a tipped employee. [Phila. Code § 9-4103\(12\)](#).”

Finally, the Act requires covered employers to immediately begin providing paid leave time to domestic workers.

- **Office of Worker Protections (OWP) Investigations** – The Act further solidified OWP’s ability to open an investigation on its own initiative, without a formal complaint, when it has reason to believe that a worker protection violation has occurred or will occur. Additionally, OWP is authorized to establish a “Bad Actors Database,” to include a list of employers who have not complied with OWP investigations or have been issued three or more determinations. OWP may also now assess increased fines and liquidated damages if violations are found. Finally, OWP has the ability to notify the Philadelphia Department of Licenses and Inspections and the Philadelphia Department of Procurement about any employer who meets the “Bad Actor” criteria. Those Departments are authorized to suspend or revoke business licenses and City contracts for noncompliant employers.
- **Cure Period for Private Rights of Action** – Under the Paid Sick Leave, Wage Theft, and Retaliation Ordinances, an employer must be provided notice and an opportunity to cure before an action can be filed in court. Specifically, a worker, their representative, or any entity a member of which is aggrieved by a violation must send a written notice to employers informing them of the alleged violation and providing 15 days to remedy the harm before a civil action can be filed in court.

Does the POWER Act change which employers are covered by Philadelphia’s Worker Protection Ordinances?

No, the POWER Act does not change any of the definitions of an “Employer” in Philadelphia’s Worker Protection Ordinances.

Where can I find the text of the POWER Act?

The full text of the POWER Act is available online here:

<https://www.phila.gov/documents/power-act/>.

Additionally, the amended Ordinances and new Chapters have been incorporated in the Philadelphia Code, which is available online here:

https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia_pa/0-0-0-266407

When will regulations be updated to reflect changes in the POWER Act?

The Office of Worker Protections is working with the City’s Law Department to update the three sets of regulations that will need to be updated to reflect changes made by the POWER Act - (1) [Department of Labor Regulations – July 2023](#); (2) [Paid Sick Leave Regulations – April 2016](#); and (3) [Protections for Domestic Workers Regulations – September 2024](#). We anticipate this process to be complete by early 2026.

Where can I find resources, including sample notice posters and other templates?

All of the Office of Worker Protections resources are available online here:

<https://www.phila.gov/departments/department-of-labor/resources/>

If you have additional questions, or would like to request a compliance training, please contact the Office of Worker Protection by phone at (215) 686-0802 or by emailing WorkerProtection@phila.gov.