



LARA / ALL ABOUT LARA / LARA NEWS RELEASES

New Minimum Wage for Michigan Employees

Contact: LARA Communications 517-373-9280

Agency: Licensing and Regulatory Affairs

August 25, 2014 – Beginning September 1, 2014, Michigan workers will see an increase in the minimum wage rate from \$7.40 to \$8.15. The first rate increase in six years, this new change to state law marks the beginning of a gradual 25 percent increase of the minimum wage resulting in \$9.25 per hour by 2018. The State of Michigan makes new online resources available at www.Michigan.gov/miosha to help workers and employers understand the facts as the new rate takes effect.

On May 27, 2014 the Workforce Opportunity Wage Act, Public Act 138 of 2014 (Act 138), took immediate effect replacing the Michigan Minimum Wage and Overtime Act (Act 154). Act 138 is enforced by the Wage and Hour Program within the Technical Services Division of the Michigan Occupational Safety and Health Administration (MIOSHA).

Act 138 applies to employers in Michigan that have two or more employees age 16 and older. A copy of Act 138, along with guidelines and the required poster may be downloaded from the Wage and Hour Program website.

Dates of Minimum Wage Rate Increases

The current minimum wage is \$7.40. The rate increases as follows:

- September 1, 2014 - \$8.15
- January 1, 2016 - \$8.50
- January 1, 2017 - \$8.90
- January 1, 2018 - \$9.25

Youth Training Wage

Act 138 allows an employer to pay a newly hired employee age 16 to 19 \$4.25 per hour for the first 90 days of employment.

85% Minimum Wage

Act 138 also allows an employer in Michigan to pay 85 percent of the minimum wage to employees aged 16 and 17; however, note that the current Federal Minimum Wage rate is \$7.25 per hour. Employers that are covered by both State and Federal Minimum Wage law should pay the higher applicable rate. Information on Federal Minimum Wage can be obtained by calling the United States Department of Labor at 866-487-9243.

Effective Date	Minimum Hourly Wage Rate	85% of Minimum Hourly Wage Rate
----------------	--------------------------	---------------------------------

September 1, 2014	\$8.15	\$7.25*
January 1, 2016	\$8.50	\$7.25*
January 1, 2017	\$8.90	\$7.57
January 1, 2018	\$9.25	\$7.86

*per Federal Minimum Wage Rate

Tipped Employees

Act 138 allows employers to take a tip credit on minimum wage under certain conditions for those employees who customarily and regularly receive tips.

The following conditions apply to taking a tip credit on the state minimum wage rate:

- The employee is in a position which customarily and regularly receives gratuities from a guest, patron, or customer for services rendered to that guest, patron, or customer.
- If the gratuities plus the minimum hourly wage rate do not equal or exceed the minimum hourly wage otherwise established, the employer pays any shortfall to the employee.
- The gratuities are proven gratuities as indicated by the employee's declaration for Federal Insurance Contribution Act.
- The employee was informed by the employer of the provisions of Act 138.
- If a credit is taken for gratuities received by an employee, then the employment records for each pay period shall contain the credit that was taken along with a written statement of the amount of gratuities received by the employee. The statement shall be signed by the employee and dated before the date the paycheck was received.

The minimum hourly rate of pay for a worker subject to tip credit provisions is:

Effective Date	Minimum Hourly Wage Rate	Tipped Employee Minimum Hourly Wage Rate	Provided Reported Tips Per Hour Average At Least
September 1, 2014	\$8.15	\$3.10	\$5.05
January 1, 2016	\$8.50	\$3.23	\$5.27
January 1, 2017	\$8.90	\$3.38	\$5.52
January 1, 2018	\$9.25	\$3.52	\$5.73

Overtime Requirements

Employees covered by the overtime provisions of the Workforce Opportunity Wage Act must be paid one and a half times their regular rate of pay for hours worked exceeding 40 hours in a workweek.

Some positions are considered exempt from overtime requirements. For a complete list of those positions please visit the program website.

For further questions or information call the Wage and Hour Program toll free at 855-464-9243 or visit the program website at www.michigan.gov/MinimumWageAct.

For more information about MIOSHA, please visit www.michigan.gov/miosha
"Like" us on Facebook and follow us on Twitter

For more information about LARA, please visit www.michigan.gov/lara
Follow us on Twitter, "Like" us on Facebook or find us on YouTube

LARA Contacts

- Contact LARA
- Submit Comments, Suggestions, Questions
- Technical Support
- Media
- Map & Driving Directions

Featured Services

- Business Entity Search
- Online Liquor Ordering
- Verify a License/Registration for a Health Care Licensee

Our Performance



- Corporations, Securities & Commercial Licensing Bureau
- Customer Satisfaction Survey
- Professional Licensing Survey

Reports

- Legislative Reports

Stay Connected



Sign up for email updates from LARA!

[LARA FOIA Process](#)

[Office of Regulatory Reinvention](#)
[Open Michigan](#)

[State Web Sites](#)

[Michigan.gov Home](#)

[ADA](#)

[Michigan News](#)

[Policies](#)

Copyright 2017 State of Michigan