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STANLEY 'SKIP' PRUSS
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Overview of Michigan Minimum Wage Law

The state minimum wage law applies to employers not covered by the federal minimum wage law. The state's minimum wage rate also applies to certain employees in federally covered businesses because the state rate for those employees is higher than the federally required rate.

STATE MINIMUM HOURLY WAGE RATE:

Beginning September 1, 1997, \$5.15 per hour

Beginning October 1, 2006, \$6.95 per hour

Beginning July 1, 2007, \$7.15 per hour

Beginning July 1, 2008, \$7.40 per hour

The Michigan Minimum Wage Law covers businesses with at least two employees 16 years of age or older.

A training wage of \$4.25 may be paid to employees 16 to 19 years of age for the first 90 days of employment as long as it does not displace another employee.

Youth sub minimum wage may be paid to a minor age 16 or 17 which is 85% of the adult minimum wage as follows:

Beginning October 1, 2006, \$5.91 per hour

Beginning July 1, 2007, \$6.08 per hour

Beginning July 1, 2008, \$6.29 per hour

Beginning July 24, 2008, \$6.55 per hour *

Beginning July 24, 2009, \$7.25 per hour *

*The state 85% rate of \$6.29 is valid between July 1, 2008 and July 23, 2008, effective July 24, 2008, the federal minimum wage will increase to \$6.55, and to \$7.25 on July 24, 2009. Under Section 14 of Public Act 154 of 1964, as amended, being MCL 408.394 (1) the act states: "Sec. 14. (1) This act does not apply to an employer who is subject to the minimum wage provisions of the fair labor standards act of 1938, 29 USC 201 to 219, unless those federal minimum wage provisions would result in a lower minimum hourly wage than provided in this act."



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The Michigan Minimum Wage Law covers tipped employees age 16 and over. All employers in Michigan **must** pay tipped employees at least \$2.65 per hour provided the employee reports tips in writing or by electronic statement which when added to \$2.65 will provide a pay rate equal to, or exceeding, the minimum hourly rate.

Effective date	Required cash wage per hour	Provided reported tips per hour
October 1, 2006	\$2.65	\$4.30
July 1, 2007	\$2.65	\$4.50
July 1, 2008	\$2.65	\$4.75

Overtime compensation for hours worked in excess of 40 in a 7 day workweek must be paid at 1½ times the employee's regular rate of pay. Under specific circumstances, employees may take 1½ time off rather than receive overtime wages.

Tipped employees working overtime must be paid at least:

Effective date	Minimum cash wage per hour for overtime hours	Provided reported tips per hour
October 1, 2006	\$6.125	\$4.30
July 1, 2007	\$6.225	\$4.50
July 1, 2008	\$6.35	\$4.75

Federal Coverage:

Employees that produce goods for sale outside of the State of Michigan (for interstate commerce), as well as all employees of businesses with gross annual revenue over \$500,000 are covered by the Fair Labor Standards Act of 1938 (FLSA). The FLSA also covers certain specialized businesses:

- 1) A hospital or health care facility for the sick, aged or mentally ill; or
- 2) A pre-school, elementary or secondary school or college; or
- 3) An agricultural employer who employs 500 man days of agricultural labor (in a quarter for the previous or current year); or
- 4) Federal, state, and local governments.

For more information regarding the FLSA contact the US Department of Labor at: 1-866-4US-Wage (1-866-487-9243)