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Informational Sheet: Michigan Minimum Wage Law
85% Minimum Hourly Wage Rate

The Michigan Minimum Wage Law of 1964 allows workers age 16-17 to be paid a lower minimum wage. This information sheet is intended to summarize the requirements for payment of the lower wage. The statutory provisions covering the lower wage can be found at MCL 408.384b(2) of the Michigan Compiled Laws. Anyone interested in information on the lower wage should consult the statute for the complete text <http://www.legislature.mi.gov>.

Effective October 1, 2006, an employer covered by the Michigan Minimum Wage Law of 1964 may pay an employee 16-17 years of age, 85% of the Minimum Hourly Wage Rate. Michigan's minimum wage law covers employers, employing 2 or more workers that are 16 years of age or older.

The following conditions apply to the 85% wage:

An employer may not discharge, layoff or displace another employee or reduce the hours, wages or benefits of an employee to hire a worker at the 85% wage.

Employers that discharge, layoff or displace another employee or reduce the hours, wages or benefits of an employee to hire a worker at the 85% wage are subject to payment of a civil fine of up to \$1,000.

The hourly rate of pay for a worker subject to the 85% lower wage provisions is:

Effective Date	Section 4 Minimum Hourly Wage Rate	85% of Minimum Hourly Wage Rate
September 1, 1997	\$5.15	Not applicable
October 1, 2006	\$6.95	\$5.91
July 1, 2007	\$7.15	\$6.08
July 1, 2008	\$7.40	\$6.55 *
July 24, 2009	\$7.40	\$7.25*

*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."

For more information visit our web site at www.michigan.gov/wagehour