



The Improved Workforce Opportunity Wage Act
Public Act 337 of 2018,
Frequently Asked Questions (FAQs)

1. When will Michigan’s minimum hourly wage rate increase?

Effective Date	Minimum Hourly Wage Rate	Tipped Employee		85%** Rate
		Minimum Hourly Rate	Reported Average Hourly Tips	
February 21, 2025	\$12.48	\$4.74	\$7.74	\$10.61
January 1, 2026	\$13.73	\$5.49	\$8.24	\$11.67
January 1, 2027	\$15.00	\$6.30	\$8.70	\$12.75

The minimum hourly wage rate of an employee eligible to be considered tipped employee shall be 38% of the minimum hourly wage rate effective February 21, 2025; beginning January 1, 2026, it shall be 40% of the minimum hourly wage rate; beginning January 1, 2027, it shall be 42% of the minimum hourly wage rate; beginning January 1, 2028, it shall be 44% of the minimum hourly wage rate; beginning January 1, 2029, it shall be 46% of the minimum hourly wage rate; beginning January 1, 2030, it shall be 48% of the minimum hourly wage rate; and beginning January 1, 2031 and thereafter, it shall be 50% of the minimum hourly wage rate.

2. Did Michigan’s overtime requirements change?

No. Overtime requirements remain the same under the Improved Workforce Opportunity Wage Act. Nonexempt employees should be paid 1-1/2 times their regular rate of pay for hours worked over 40 in a 7-day workweek. The minimum salary compensation is \$684 per week, or \$35,568 per year (the current federal standard salary amount under FLSA) for those employees exempt from the overtime requirements under the Executive, Administrative and Professional employee exemption.

3. Who is covered by the Michigan minimum wage and overtime law?

The Improved Workforce Opportunity Wage Act applies to employees who work in Michigan for employers that have 2 or more employees, 16 years of age and older. Employers subject to both the state and federal minimum hourly wage rate should follow the stricter standard.

4. Is there a different minimum hourly wage rate for minors?

Yes. Workers under the age of 18 may be paid 85% of the minimum hourly wage rate (see table for amount).

5. Is there a training wage for newly hired employees under 20 years of age?

Newly hired employees under 20 years old may be paid \$4.25 per hour for the first 90 calendar days of employment.

6. What is the minimum hourly wage rate for tipped employees?

Tipped employees may be paid the amounts in the table above of the minimum hourly wage rate provided:

- Employees are informed of the tip provisions
- Employees receive and report tips
- The tips received plus the wages paid equals or exceeds the minimum hourly wage rate and if not, the employer pays the shortfall

The table above identifies the allowed tipped employee hourly wage rate for each year and the % amounts in the description by year.

7. How do I obtain the required minimum wage poster?

The minimum wage and overtime poster may be downloaded from the Wage and Hour Division's website, www.michigan.gov/wagehour, or free copies may be requested by calling 855-464-9243 (4MI-WAGE). Posters are available in English, Spanish, and Arabic.

8. How do I file a claim for unpaid minimum wages and/or overtime?

Claims may be filed online at www.michigan.gov/wageclaim, in person at a Wage and Hour Division office, or a form may be requested by calling 855-464-9243 (4MI-WAGE). Claim forms are available in English, Spanish, and Arabic.

9. What if I have additional questions?

Please visit www.michigan.gov/wagehour or call 855-464-9243 (4MI-WAGE).

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