

Michigan Wage and Hour Laws

Protecting Wages in the Workplace

Presented by:

*Michigan Department of Licensing and Regulatory Affairs
Bureau of Employment Relations
Wage and Hour Division*



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Who Are We?

- ❖ The Wage and Hour Division is currently 28 people under the Department of Licensing and Regulatory Affairs who administer 4 Michigan statutes:
 - The Payment of Wages and Fringe Benefits Act, Public Act 390 of 1978, as amended
 - The Workforce Opportunity Wage Act, Public Act 138 of 2014, as amended, Michigan's minimum wage and overtime law (MWL)
 - Act 166 Prevailing Wages on State Funded Construction Projects
 - The Human Trafficking Notification Act Public Act 62 of 2016, as amended



Services Provided by Wage and Hour

- ❖ Claim investigations and collecting wages that are found due
- ❖ Providing free publications in English, Spanish, and Arabic on our website or by mail
- ❖ Answering general information phone calls and emails
- ❖ Speaking Engagements
- ❖ Educational Contacts to inform employers and employees about the requirements of Acts enforced by the Wage and Hour Division.



Act 390

The Payment of Wages and Fringe Benefits Act



- ❖ Applies to most Michigan employees
- ❖ Regulates the payment of hourly, salary, piece rate, and commission wages on a regular basis: weekly, biweekly, semimonthly, or monthly
- ❖ Governs payment of certain fringe benefits; vacation, sick pay, holiday pay, bonuses and authorized expenses as specified in written contracts or written policies

Act 390 Continued

- ❖ Allows payment of wages via U.S. currency, negotiable check or money order, and, when certain conditions are met, direct deposit or payroll debit card
- ❖ Allows deductions authorized by law including taxes and court ordered garnishments, collective bargaining agreement, or employee's written consent
- ❖ Employers may deduct an overpayment without written consent under certain conditions
- ❖ Prohibits an employer from receiving payment from an employee as a condition of or for continued employment



Act 390 Continued

- ❖ Mandates an employee receive a retainable pay statement at the time of payment indicating hours worked, gross wages paid, an itemization of deductions, and earning period
- ❖ Requires employers maintain records for 3 years which indicate employee's name, address, birthdate, classification, pay rate, total hours worked each pay period, total wages paid and a fringe benefit itemization
- ❖ Provides protection for employees who file a claim or exercise a right protected by Act 390



Act 138 (MWL)

The Workforce Opportunity Wage Act

- ❖ Generally Applies to:
 - Employers who employ 2 or more persons 16 years old and older
 - Individuals of employers covered by the FLSA when state requirement is stricter than federal requirement

- ❖ Rate is \$9.25 effective 1/1/2018

Act 138 (MWL)

The Workforce Opportunity Wage Act

Every January beginning in January 2019, the state treasurer shall adjust the minimum wage by an amount determined by the state treasurer based on the consumer price index and the unemployment rate.

Wage and Hour shall post the adjusted minimum wage on its website by February 1 of the year it is calculated, and the adjusted rate is effective beginning April 1 of that year. An annual increase under this subsection shall not exceed 3.5%.

An increase in the minimum hourly wage rate as prescribed in subsection (2) does not take effect if the unemployment rate determined by the bureau of labor statistics, United States department of labor, for this state is 8.5% or greater for the year preceding the year of the prescribed increase.



Act 138 (MWL) Continued

- ❖ Permits a youth subminimum wage equal to 85% of the minimum wage rate for employees 16 and 17 years of age; \$7.86/hour effective 1/1/2018
- ❖ Federal minimum wage is \$7.25/hour which is less than the state subminimum wage for minors 16 and 17 years of age (**apply stricter standard if covered by both federal and state minimum wage**)
- ❖ Allows tipped employees, such as wait staff, to be paid \$3.52 /hour effective 1/1/2018 if they report in writing receiving tips that when added to their hourly wage equals minimum wage



Act 138 (MWL) Continued

- ❖ Permits a \$4.25/hour training wage during the first 90 days of employment for new hires 16-19 years of age
- ❖ Requires an overtime rate, 1½ times the regular rate of pay, for hours worked in excess of 40 in a 7-day workweek by nonexempt employees
- ❖ Requires 3 year retention of daily time records, including starting and ending times, computed to the nearest 10th of an hour (6 minutes) or finer measure
- ❖ Mandates worksite posting of the General Requirements Poster



Record Keeping

- ❖ Maintain records for 3 years:
 - Employee name, address, and birthdate
 - Occupation/classification and rate of pay
 - Daily time records with starting and ending times to 10th of hour (6 minutes) or smaller increment
 - Total hours worked each pay period
 - Total wages paid each pay period
 - Itemization of deductions



Record Keeping Continued and Posting

- Itemization of fringe benefits including written agreements
- Signed, dated tip statements each pay period
- Signed, written deduction authorizations
- Posting Requirements:
 - General Requirements – Minimum Wage



Claim Filing

- ❖ Claims for investigation are accepted under the acts:
 - Within 12-months of alleged violation under the Payment of Wages and Fringe Benefits Act
 - Within 3 years of alleged violation under the Michigan minimum wage and overtime law
- ❖ Anonymous complaints are not accepted under Acts 390 and Act 138
- ❖ A claim may be filed electronically online at www.michigan.gov/wageclaim or a form may be obtained at www.michigan.gov/wagehour or by calling Wage and Hour at 855-4MI-WAGE (855-464-9243)



Claim Filing Continued

- ❖ Approximately 4,000 claims are received annually
- ❖ Claims are investigated on a first in/first out basis
- ❖ Records are requested from both parties so maintain your own time record and tip statements, retain your paystubs, and submit them along with written agreements and other relevant information at the time of claim filing
- ❖ On average 79% of claims are investigated within 90 days and 87% of them are resolved informally
- ❖ More than 2 million dollars per year is collected on behalf of Michigan workers



Act 62

The Human Trafficking Notification Act

Entities required to post Act 62 effective July 4, 2016

- ❖ Rest Stop and Welcome Centers
- ❖ Bus and rail transportation
- ❖ Public Airports
- ❖ Adult Entertainment establishments
- ❖ Any entity that has been found by a court to constitute a public nuisance due to acts of prostitution or human trafficking



Act 62 required poster

- ❖ Be in English and Spanish, any other language deemed appropriate by the Department
- ❖ Be available for free on Wage and Hour Division website
- ❖ A civil penalty may be assessed if required entity does not display poster
- ❖ Goal is to make sure poster is displayed where required



Act 62 Human Trafficking Notification Act

- ❖ “If you or someone you know is being forced to engage in any activity and cannot leave, whether the activity is commercial sex, housework, farm work, or any other activity, please contact the National Human Trafficking Resource Center hotline at 1-888-373-7888 or text 233733 to access help and services. The victims of human trafficking are protected under U.S. laws and the laws of this state.”



Filing a complaint under Act 62

- ❖ Wage and Hour can accept complaints that a required entity is not displaying the required posters
- ❖ Complaint can be made anonymously
- ❖ Wage and Hour will need the name and address of the entity
- ❖ Claim about Welcome Centers or Rest Areas, we need the location, i.e. I-96 near Howell



Michigan Wage and Hour Division

Contact Information

- **Mailing:** 530 West Allegan St
- P.O. Box 30476
- Lansing, MI 48909-7976
- **Telephone:** (517) 284-7800
- (855) 464-9243 (4MI-WAGE)
- **Website:** www.michigan.gov/wagehour



Youth Employment Standards Act Public Act 90

Telephone: (517) 335-6041



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