

# Michigan LEO Wage and Hour Presenters

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MICHIGAN'S WAGE & HOUR LAWS



# Michigan Wage and Hour Division



## DISCLAIMER

*Information provided in this presentation may contain legal information. Legal information is not the same as legal advice – the application of law to an individual's specific circumstances.*

*The division will do its best to provide information that is accurate and useful, but it is recommended you consult a lawyer if you want professional assurance the information and your interpretation of it, is appropriate to your situation.*



# Wage & Hour Division

Currently 26 people in the Department of Labor and Economic Opportunity (LEO) who administer 5 Michigan statutes and investigate on behalf of DTMB:

- **Public Act 390:** Payment of Wages & Fringe Benefits (PWFB)
- **Public Act 337:** Improved Workforce Opportunity Wage (Min. Wage & Overtime, IWOWA)
- **Public Act 90:** Youth Employment Standards (YESA)
- **Public Act 338:** Paid Medical Leave (PMLA)
- **DTMB Prevailing Wage:** On behalf of the Department of Technology, Management & Budget (DTMB)
- **Public Act 62:** Human Trafficking Notification (HT)



## Mission

**To provide public service through the fair, effective, and efficient administration of laws that protect the wages and fringe benefits of Michigan workers including paid medical leave, provide for the safe and legal employment of minors, and require posting of notices related to human trafficking, youth employment, paid medical leave, and minimum wage.**

# **Payment of Wages and Fringe Benefits**

Public Act 390



PUBLIC ACT 390

# The Payment of Wages & Fringe Benefits Act

**Applies to most Michigan employees:**

- Regulates payment of hourly, salary, piece rate, and commission wages on a regular basis: weekly, biweekly, semimonthly, or monthly.
- Permits payment of wages by US currency, negotiable check, direct deposit, or payroll debit card.
- Restricts deductions from wages to those allowed by law, court ordered garnishment, collective bargaining agreement, or employee signed written consent.
- Allows overpayment deductions resulting from clerical errors without written consent under certain conditions.



# The Payment of Wages & Fringe Benefits Act

- Requires fringe benefits of vacation pay, sick pay, holiday pay, bonuses, and authorized expenses be paid in accordance with written contracts or written policies.
- Prohibits employers from receiving payment from employees as condition of or for continued employment.
- Requires employers to provide retainable check stub.
- Provides protection for employees who file a claim or exercise a right protected by Act 390.



# **Improved Workforce Opportunity Wage (Minimum Wage and Overtime)**

Public Act 337

## **The Fair Labor Standards Act (FLSA) provides for the Employment of Workers with Disabilities at Subminimum Wages. The FLSA is enforced by the U.S. Department of Labor**

- Employers must obtain an authorizing certificate from the Wage and Hour Division prior to paying [subminimum wages](#) to employees who have disabilities for the work being performed. Employers shall submit a properly completed application ([Form WH-226-MIS](#), Application for Authority to Employ Workers with Disabilities at [Subminimum Wages](#).) and the required supporting documentation to: United States Department of Labor, Wage and Hour Division, 230 South Dearborn Street, Room 530, Chicago, Illinois, 60604-1757; (312) 596-7195. Certificates covering employees of work centers and patient workers normally remain in effect for two years. Certificates covering workers with disabilities placed in competitive employment situations or School Work Experience Programs (SWEPs) are issued annually.
- See U.S. Department of Labor Fact Sheet #39 for more information



# The Improved Workforce Opportunity Wage Act



## Applies to:

- Employers with 2 or more employees 16 years of age and older.
- Employers not covered by the federal Fair Labor Standard Act (FLSA).
- Individuals covered by the FLSA when state requirement is stricter than federal requirement.

Provides a minimum hourly rate of \$9.87/hour currently and will **potentially increase to \$10.10/hour** on January 1, 2023, dependent on the state's 2022 unemployment rate being less than 8.5%.

# The Improved Workforce Opportunity Wage Act

- Permits a 16 to 17-year-old subminimum wage equal to 85% of minimum wage rate: **currently \$8.39/hour**.
- Allows tipped employees to be paid 38% of minimum wage rate, **\$3.75/hour currently**, if they report in writing receiving tips equal to minimum wage.
- Offers a **\$4.25/hour** 16 to 19-year-old training wage for 90 days of employment.
- Necessitates overtime, **1½ times regular pay rate**, for hours worked over 40 in a 7-day workweek.



# The Improved Workforce Opportunity Wage Act



## Impact of Recent Court of Claims Ruling:

- The adoption of the 2018 ballot initiative and subsequent amendment by the 2018 legislature was ruled unconstitutional on 7/19/2022.
- The current decision increases the Michigan minimum wage.
- There will be changes for businesses that need to determine how to comply.
- An order staying the effect of the decision until 2/19/2023 was issued on 7/29/2022.
- The adopted version of the IWOWA may be found in the legislature's archives at [mcl-Act-337-of-2018.pdf \(mi.gov\)](#).
- The situation is fluid and available updates will be posted at [www.Michigan.gov/wagehour](http://www.Michigan.gov/wagehour).

# Youth Employment Standards

Public Act 90

# The Youth Employment Standards Act

Covers all Michigan employers who employ minors, people under 18 years old, and in general it:

- Sets work permit requirements
- Prohibits employment in hazardous or injurious occupations
- Regulates hours of employment
- Requires meal and rest periods
- Mandates adult supervision
- Contains posting requirement

Businesses covered by the federal Fair Labor Standards Act (FLSA) must follow the stricter standard







**Some of the common exemptions include, but are not limited to:**

- 16-year-old minor who has graduated from high school
- 17-year-old minor who has passed the general educational development (GED) test
- Emancipated minor
- A minor on a valid cooperative agreement or work-based learning program when a contract is entered into between the employer and school
- Domestic chores in connection with a private residence
- Employment in a business owned and operated by the parent or legal guardian of the minor
- Employment of a minor at least 14 years of age at the school where the minor is enrolled
- Farm work if the employment is not in violation of a standard established by LEO.

“Farm work” includes any practices performed on a farm as an incident to or in conjunction with farming operations, including preparation for market and delivery to storage, market, or carriers for transport to market.

PUBLIC ACT 90

# Exemptions



# Work Permits

- Must be completed in full by the minor, employer, and issuing officer
- May be issued in person, but not required. School may establish an alternative electronic process for issuance.
- Minors may contact any local school/superintendent office to get a work permit signed by an issuing officer.
- Work permit for minors under the age of 16 years is in landscape orientation.
- Work permit for minors aged 16 and 17 years old is in portrait orientation.
- Colored paper is not required.

**State of Michigan**  
**Combined Offer of Employment and Work Permit/Age Certificate**  
**CA-6 for minors UNDER 16 years of age**

Permit Number for School Use  
 (optional)

**Employer Information:**

- The employer must have a completed work permit form on file before a minor begins work.
- The employer must always provide competent adult supervision.
- The employer of the minor must comply with federal, state, and local laws and regulations including nondiscrimination against any applicant or employee because of race, color, religion, national origin or ancestry, age, gender, height, weight, marital status, or disability.
- The employer must return the work permit to the issuing officer upon termination of the minor's employment.

**Directions:** Please type or print using an ink pen. See back of this form for summary of requirements.

**Section I: To be Completed by Minor Applicant**

Name of Minor:		Address:		City:	ZIP:
Age:	Date of Birth Month/Day/Year:	Last Four Digits of Social Security Number:	Contact Telephone Number for Minor:	Application Submitted Electronically: [ ] Yes [ ] No If yes, provide email to return approved form:	
Name of School (present or last attended):		Address:		City:	ZIP:
Last Grade Completed:				Type of Business (i.e. fast food, retail sales):	
School Status (check one): [ ] in school [ ] home schooled [ ] online/cyber/virtual [ ] Not Attending					
Name of Parent/Guardian (circle one):		Parent/Guardian Telephone:		Parent/Guardian Email Address (optional):	

**Section II: To be Completed by the Employer - Offer of Employment**

Name of Business:		Address:		City:	ZIP:
Earliest Starting Time a.m./p.m.:	Latest Ending Time a.m./p.m.:	Hours per Day:	Number of Days per Week:	Total Hours of Employment per Week:	
		Not more than 6 days			
Applicant's Job Title:	Hourly Wage:	Job Duties/Tasks to be Performed by Minor:	Equipment/Tools to be Used by Minor:		

Signature of Employer:  
(x)

**Section III: To be Completed by School's Issuing Officer**

This is to certify that:  
 (1) this form was properly completed,  
 (2) listed job duties are compliant with state and federal laws,  
 (3) listed hours are compliant with state and federal laws,  
 (4) this form was signed by employer,  
 (5) I authorize the issuance of this work permit

**State of Michigan**  
**Combined Offer of Employment and Work Permit/Age Certificate**  
**CA-7 for minors 16 and 17 years of age**

Permit Number for School Use  
 (optional)

# Adult Supervision

- Minors may not be employed without adult supervision.
- Adult supervisor must ensure immediate assistance is available in case of emergency.
- Special penalties apply for employing minors without adult supervision when the occupation involves cash transactions after 8:00 pm or sunset.



# Hazardous Occupations

**A minor may not be employed in any hazardous or injurious occupation that include, but are not limited to:**

- Contact with hazardous substances, chemicals, explosives, or radioactive substances
- Driving and working as an outside helper (pizza delivery, etc.)
- Jobs in the logging and sawmill industry
- Jobs using woodworking machinery
- Ladders and scaffolding for those less than 16 years of age
- Brazing, welding, soldering, or heat treating for those less than 16 years of age
- Work on construction sites, excavation sites, bridges, streets, or highways
- Slaughtering, butchering, cutting meat or using meat slicers, cleavers, or boning knives
- Occupations involving power driven equipment, tools, saws, or machinery (bakery machines, paper product machines, and metal-forming, punching, and shearing machines)

Federally covered employers are subject to the Fair Labor Standards Act hazardous occupation orders listed in the United States Department of Labor (USDOL) Child Labor Bulletin 101.

# Hours of Employment

**Minors may not be employed during hours they are required to attend school, either online or in person.**

**In general, all non-exempt minors may not work more than:**

- 6 days in a workweek
- An average of 8 hours per day in 1 week
- 10 hours in 1 day
- 5 continuous hours without a documented 30-minute uninterrupted break

**14 to 15-year-old minors may not work:**

- More than 48 hours school and work combined in a workweek
- Before 7 a.m. or after 9 p.m.
- Federal law contains stricter standards that may need to be followed.

# Hours of Employment



## 16 and 17-year-old minors may not work:

- More than 24 hours in a workweek when school is in session.
- More than 48 hours in a workweek when school is not in session.
- Before 6 a.m. or after 10:30 p.m., Sunday through Thursday.
- Before 6 a.m. or after 11:30 p.m. on Fridays and Saturdays and during periods when school is not in session for at least 7 days.



# Employer Responsibilities

- Legally employ minors
- Provide adult supervision and breaks
- Maintain a copy of the work permit or proof of exemption and any deviation and necessary parental consents at the minor's worksite.
- Maintain a daily time record containing the number of hours worked by the minor to include the starting and ending times of shifts and 30-minute breaks.
- Post the Michigan Youth Employment Poster at the worksite





# **Paid Medical Leave**

Public Act 338

# The Paid Medical Leave Act

**Applies to  
employers  
with 50 or more  
employees**

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**Applies to certain  
eligible employees  
who work in  
Michigan**

- **Ineligible employees include, but are not limited to:**
  - Individuals under the age of 18 years old
  - Individuals who worked on average fewer than 25 hours per week during the immediately preceding calendar year
  - Temporary employees
- Requires 1 hour for every 35 actual hours worked; however, an employer is not required to allow accrual of over 1 hour in a calendar week or more than 40 hours in a benefit year
- An employer may frontload 40 hours instead of accrual method
- Carryover of up to 40 hours for accrual method
- Carryover not required for frontload method

# Paid Medical Leave Usage

- Allowed for medical reasons, illness, injury, medical care or treatment, preventative care, closure of primary workplace, school, or childcare place by order of a public official due to public health emergency, and special circumstances surrounding domestic violence
- Allowed as leave is accrued except an employer may require an employee to wait until the 90th day after commencing employment and may limit hours to 40 in a benefit year.
- Must be used in 1-hour increments unless the employer has a different written policy.





PUBLIC ACT 338

## **Paid Medical Leave Usage**

- Employee must follow the employer's usual and customary notice, procedural, and documentation requirements for requesting time, but at least 3 days must be allowed for documentation.
- There is a posting requirement.

- The adoption of the 2018 Earned Sick Time Act (ESTA) ballot initiative and subsequent amendment to the Paid Medical Leave Act by the 2018 legislature was ruled unconstitutional on 7/19/2022.
- The current decision expands the eligibility, accrual, and use of paid sick leave.
- There will be changes for businesses that need to determine how to comply.
- An order staying the effect of the decision until 2/19/2023 was issued on 7/29/2022.
- The adopted version of the ESTA may be found in the legislature's archives at [mcl-Act-338-of-2018.pdf \(mi.gov\)](#).
- The situation is fluid and available updates will be posted at [www.Michigan.gov/wagehour](#).



# **Human Trafficking Notification**

Public Act 62



# Human Trafficking Notification

Requires conspicuous, public posting of a human trafficking notification in English and Spanish at the following entities:

- Public rest stops and welcome facilities
- Public bus and rail transportation stations
- Public airports
- Adult entertainment establishments
- Court declared public nuisance properties



**The notification is also available in the following languages:**

- Arabic
- Bengali
- Bosnian
- Chinese Traditional Cantonese
- Chinese Simplified Mandarin
- Hmong
- Polish
- Ukrainian

# **Recordkeeping, Resources, and Services**

# Recordkeeping



## Maintain records for 3 years:

- Employee name, address, birthdate, occupation, and rate of pay
- Daily time records with starting and ending times to the nearest 10th of an hour or smaller increment
- Total hours worked each pay period
- Total wages paid each pay period along with an itemization of deductions
- Itemization of fringe benefits including written agreements and paid medical leave taken
- Signed, dated tip statements each pay period
- Signed, written deduction authorizations

# Poster Requirements

- **General Requirements**  
Minimum Wage and Overtime by all businesses
- **Youth Employment Standards Act**  
Posting requirement by businesses who employ minors
- **General Requirements**  
Paid Medical Leave Act by businesses with 50 or more employees
- **Human Trafficking Notification**  
by certain entities

**Michigan Department of Labor and Economic Opportunity**  
Wage and Hour Division  
PO Box 30476  
Lansing, MI 48909-7976  
GRETCHEN WHITMER  
GOVERNOR

**REQUIRED POSTER**  
JEFF DONOFRIO  
DIRECTOR

**GENERAL REQUIREMENTS – PAID MEDICAL LEAVE ACT\***

**Coverage**  
The Paid Medical Leave Act, 2018 Public Act 338, as amended by 2018 Public Act 369, effective March 29, 2019, covers employers who employ 50 or more individuals. The act covers individuals engaged in service to an employer in the business of the employer and from whom an employer is required to withhold for federal income tax purposes. An eligible employee does not include executive, administrative, and professional overtime exempt employees, employees covered by a private collective bargaining agreement that is in effect, employees of the United States government, another state, or a political subdivision of another state, individuals whose primary work location is not in this state, individuals 16-19 years of age being paid the youth training wage in accordance with the Improved Workforce Opportunity Wage Act, temporary employees as described in the Michigan Employment Security Act, variable hour employees as defined by Railway Labor Act and Railroad Unemployment Insurance Act, individuals employed on a seasonal basis for a job scheduled for 25 weeks or fewer, individuals who were employed during the immediately preceding calendar year. (See section 2 of The Paid Medical Leave Act)

**Paid Medical Leave Accrual**  
Paid medical leave accrual begins on March 29, 2019, or upon commencement later. Paid medical leave is accrued at a rate of 1 hour for every 35 actual hours worked. An employer may provide an alternative method of accrual, but it must allow accrual of over 1 hour in a calendar year or more than 40 hours in a 12-month period used by an employer to calculate an eligible employee's benefit. An employer may provide an alternative method of accrual, but it must allow accrual of over 1 hour in a calendar year or more than 40 hours in a 12-month period used by an employer to calculate an eligible employee's benefit. An employer may provide an alternative method of accrual, but it must allow accrual of over 1 hour in a calendar year or more than 40 hours in a 12-month period used by an employer to calculate an eligible employee's benefit.

**Michigan Department of Labor and Economic Opportunity**  
Wage and Hour Division  
PO Box 30476  
Lansing, MI 48909-7976  
GRETCHEN WHITMER  
GOVERNOR

**REQUIRED POSTER**  
JEFF DONOFRIO  
DIRECTOR

**GENERAL REQUIREMENTS - MINIMUM WAGE and OVERTIME**

## Human Trafficking Notification

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 888-373-7888 or text 233733 to access help. Victims of human trafficking are protected by law.

**Coverage**  
The Improved Workforce Opportunity Wage Act (IWOWA), Public Act 337 of 2018, as amended, covers employers who employ 2 or more employees 16 years of age and older.

**Minimum Hourly Wage Rate**

Employees must be paid at least:

Effective Date	Minimum Hourly Wage Rate	Tipped Employee		85%**
		Minimum Hourly Rate	Reported Average Hourly Tips	
January 1, 2018	\$9.25	\$3.52	\$5.73	\$7.86
March 29, 2019	\$9.45	\$3.59	\$5.86	\$8.03
January 1, 2020*	\$9.65	\$3.67	\$5.98	\$8.20
January 1, 2021*	\$9.87	\$3.75	\$6.12	\$8.39

\*An increase in the minimum hourly wage rate as prescribed in subsection (1) does not take effect if the unemployment rate for this state, as determined by the Bureau of Labor Statistics, United States Department of Labor, is 6.5 percent or higher for the calendar year for which the unemployment rate is determined.

\*\* Minors 16-17 years of age

**STATE OF MICHIGAN**  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING  
GRETCHEN WHITMER  
GOVERNOR

**POSTING REQUIREMENT**  
YOUTH EMPLOYMENT STANDARDS ACT, 1978 PA 90, as amended

**MCL 409.110 Minor under 16 years; days and hours of employment.**  
Sec. 10. A minor under 16 years shall not be employed in an occupation subject to this act for more than 6 days in 1 week, nor for a period longer than a weekly average of 8 hours per day or 48 hours in 1 week, nor more than 10 hours in 1 day. The minor shall not be employed between the hours of 9 p.m. and 7 a.m. A minor who is a student in school shall not be employed more than a combined school and work week of 48 hours during the period when school is in session.

**MCL 409.111 Minor 16 years or older; days and hours of employment; definitions.**  
Sec. 11. (1) Except as provided in subsection (3), a minor 16 years of age or older shall not be employed in an occupation subject to this act for more than any of the following periods:  
(a) Six days in 1 week.  
(b) A period longer than a weekly average of 8 hours per day or 48 hours in 1 week.  
(c) Ten hours in 1 day.  
(d) For a minor 16 years of age or older who is a student in school, a combined school and work week of 48 hours during the period school is in session.

(2) Except as provided in subsection (3), a minor 16 years of age or older shall not be employed between 10:30 p.m. and 6 a.m. However, except as provided in subsection (3), a minor 16 years of age or older who is a student in school may be employed until 11:30 p.m. on any of the following days:  
(a) On Fridays and Saturdays.  
(b) During school vacation periods.  
(c) During periods when the minor is not regularly enrolled in school.

# Resources and Services

## Questions? Contact:

- Paid Medical Leave:  
[PMLA-INFO@michigan.gov](mailto:PMLA-INFO@michigan.gov)
- For all others:  
[WHINFO@michigan.gov](mailto:WHINFO@michigan.gov)  
**855-4MI-WAGE**

## [Michigan.gov/WageHour](https://Michigan.gov/WageHour)

- Publications
- Speaking Engagements
- Educational Contacts

## Complaint Investigations

- Youth Employment:  
[YESAComplaintForm.apps.lara.state.mi.us](https://YESAComplaintForm.apps.lara.state.mi.us)
- Payment of wages, fringe benefits, and paid medical leave: [Michigan.gov/WageClaim](https://Michigan.gov/WageClaim)
- Discrimination, human trafficking notification, and prevailing wage complaint forms are available online or by calling **855-4MI-WAGE**

# State Contact Information

## Michigan Department of Labor & Economic Opportunity, Wage and Hour Division

[Michigan.gov/WageHour](https://Michigan.gov/WageHour)

### Lansing:

- 530 W. Allegan Street  
PO Box 30476  
Lansing, MI 48909-7976
- **517-284-7800**
- Toll-Free: **855-4MI-WAGE** (855-464-9243)



# Federal Contact Information

## United States Department of Labor, Wage and Hour Division

[DOL.gov/WHD](https://www.dol.gov/WHD)

### Nationally Toll-Free:

- 866-4US-WAGE (866-487-9243)

### Detroit:

- 5700 Crooks Road, Room 310  
Troy, MI 48098-2809
- **313-309-4500**

### Grand Rapids:

- 800 Monroe Avenue, NW, Suite 315  
Grand Rapids, MI 49503-1451
- **616-456-2004**