

# SENATE BILL NO. 8

January 08, 2025, Introduced by Senator HERTEL and referred to Committee on Regulatory Affairs.

A bill to amend 2018 PA 337, entitled "Improved workforce opportunity wage act," by amending sections 4, 4d, and 10 (MCL 408.934, 408.934d, and 408.940).

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1           Sec. 4. (1). Subject to the exceptions specified in this act,  
2 the minimum hourly wage rate is:

3           **(a)** ~~a. Beginning January 1, 2019, \$10.00.~~ **February 21, 2025,**  
4 **\$12.48.**

5           **(b)** ~~b. Beginning January 1, 2020, \$10.65.~~ **2026, \$13.73.**

6           **(c)** ~~c. Beginning January 1, 2021, \$11.35.~~ **2027, \$15.00.**

1 ~~d. Beginning January 1, 2022, \$12.00.~~

2 (2) Every October beginning in October, ~~2022, 2027~~, the state  
 3 treasurer shall calculate an adjusted minimum wage rate. The  
 4 adjustment ~~shall~~**must** increase the minimum wage by the rate of  
 5 inflation. The ~~increase~~**state treasurer** shall ~~be calculated~~  
 6 **calculate the increase** by multiplying the otherwise applicable  
 7 minimum wage by the 12-month percentage increase, if any, in the  
 8 consumer price index for urban wage earners and clerical workers,  
 9 CPI-W, or a successor index, as published by the ~~bureau of labor~~  
 10 ~~statistics~~**Bureau of Labor Statistics** of the United States  
 11 ~~department of labor, Department of Labor~~, based ~~upon~~**on** the most  
 12 recent 12-month period for which data are available. The **state**  
 13 **treasurer shall publish the** adjusted minimum wage rate ~~shall be~~  
 14 ~~published by~~ November 1 of the year **in which** it is calculated. ~~and~~  
 15 ~~shall be~~**The adjusted minimum wage rate is** effective beginning  
 16 January 1 of the **immediately** succeeding year.

17 (3) An increase in the minimum hourly wage rate as prescribed  
 18 in subsection (2) does not take effect if the unemployment rate, **as**  
 19 determined by the ~~bureau of labor statistics, Bureau of Labor~~  
 20 **Statistics of the** United States ~~department of labor, Department of~~  
 21 **Labor**, for this state is 8.5% or greater for the year **immediately**  
 22 preceding the year of the prescribed increase.

23 Sec. 4d. (1) The minimum hourly wage rate of an employee ~~shall~~  
 24 **must** be ~~as established~~ **as provided for** under subsection (2) if all  
 25 of the following ~~occur~~**conditions are met**:

26 (a) The employee receives gratuities in the course of ~~his or~~  
 27 ~~her~~**the employee's** employment.

28 (b) The gratuities described in subdivision (a) equal or  
 29 exceed the difference between the minimum hourly wage rate

1 established under subsection (2) and the minimum hourly wage  
2 established under section 4.

3 (c) The gratuities are proven gratuities as indicated by the  
4 employee's declaration for purposes of the federal insurance  
5 contribution act, 26 USC 3101 to 3128.

6 (d) ~~The~~ **Except as otherwise provided in this subdivision, the**  
7 entirety of the gratuities are retained by the employee who  
8 receives them. ~~, except as~~ **This subdivision does not prohibit an**  
9 **employee from** voluntarily ~~shared~~ **sharing the employee's gratuities**  
10 with ~~other employees who are~~ **another employee if the other employee**  
11 **is** directly or indirectly part of the chain of service and whose  
12 **the other employee's** duties are not primarily managerial or  
13 supervisory.

14 (e) The ~~employee was~~ **employee's employer** informed by the  
15 ~~employer~~ **the employee** of the provisions of this section, in  
16 writing, at or before the time of hire, and **the employee** gave  
17 written consent.

18 (2) ~~For purposes of subsection (1) the~~ **The** minimum hourly wage  
19 rate of an employee ~~shall be~~ **described in subsection (1) is as**  
20 **follows:**

21 (a) **Beginning February 21, 2025, 38% of the minimum hourly**  
22 **wage rate established under section 4.**

23 (b) **Beginning** ~~48%~~ **January 1, 2026, 40%** of the minimum hourly  
24 wage rate established under section 4. ~~effective January 1, 2019,~~  
25 ~~beginning~~

26 (c) **Beginning January 1, 2027, 42% of the minimum hourly wage**  
27 **rate established under section 4.**

28 (d) **Beginning January 1, 2028, 44% of the minimum hourly wage**  
29 **rate established under section 4.**

1 (e) Beginning January 1, 2029, 46% of the minimum hourly wage  
2 rate established under section 4.

3 (f) Beginning January 1, 2030, 49% of the minimum hourly wage  
4 rate established under section 4.

5 (g) Beginning January 1, 2031, 51% of the minimum hourly wage  
6 rate established under section 4.

7 (h) Beginning January 1, 2032, 53% of the minimum hourly wage  
8 rate established under section 4.

9 (i) Beginning January 1, 2033, 55% of the minimum hourly wage  
10 rate established under section 4.

11 (j) Beginning January 1, 2034, 57% of the minimum hourly wage  
12 rate established under section 4.

13 (k) ~~Beginning~~ January 1, 2020, ~~it shall be 2035~~, 60% of the  
14 minimum hourly wage rate established under section 4. ~~; beginning~~  
15 ~~January 1, 2021, it shall be 70% of the minimum hourly wage rate~~  
16 ~~established under section 4; beginning January 1, 2022, it shall be~~  
17 ~~80% of the minimum hourly wage rate established under section 4;~~  
18 ~~beginning January 1, 2023, it shall be 90% of the minimum hourly~~  
19 ~~wage rate established under section 4; and beginning January 1,~~  
20 ~~2024 and thereafter, it shall be 100% of the minimum hourly wage~~  
21 ~~rate established under section 4.~~

22 (3) As used in this section, "gratuities" means tips or  
23 voluntary monetary contributions received by an employee from a  
24 guest, patron, or customer for services rendered to that guest,  
25 patron, or customer and that the employee reports to the employer  
26 for purposes of the federal insurance contributions act, 26 USC  
27 3101 to 3128.

28 (4) ~~Gratuities will~~ **Except as otherwise provided under**  
29 **subsection (1) (d), gratuities** remain **the** property of the employee

1 who receives them, ~~except pursuant to a valid and voluntary tip~~  
 2 ~~sharing agreement outlined in subsection (1)(d) above,~~ regardless  
 3 of whether the **employee's** employer pays the **employee** ~~lower tipped~~  
 4 **the minimum** hourly wage ~~described in rate established under~~  
 5 subsection (2) or the ~~full~~-minimum hourly **wage** rate established  
 6 under section 4. Gratuities and service charges paid to an employee  
 7 are in addition to, and ~~may do~~ not count ~~towards,~~ **toward**, wages due  
 8 ~~to~~ the employee.

9 (5) Employers ~~must~~ **shall** provide employees and consumers  
 10 written notice of ~~their~~ **the employer's** plan to distribute service  
 11 charges.

12 (6) ~~Employer~~ **An employer** shall keep records ~~showing that show~~  
 13 compliance with ~~provisions of Section 4d~~ **this section** for ~~no~~ **not**  
 14 less than 3 years ~~from~~ **after** the date of **an** employee's last pay  
 15 period.

16 Sec. 10. (1) This act does not apply to an employer that is  
 17 subject to the minimum wage provisions of the fair labor standards  
 18 act of 1938, 29 USC 201 to 219, unless **the application of** those  
 19 federal minimum wage provisions **to the employer** would result in a  
 20 lower minimum hourly wage than provided ~~in~~ **under** this act. ~~Each of~~  
 21 ~~the following exceptions applies to~~ **If** an employer ~~who~~ is subject  
 22 to this act only by application of this subsection, ÷

23 ~~(a) Section 4a does not apply.~~

24 ~~(b) This~~ **this** act does not apply to ~~an~~ **the employer's** employee  
 25 who is exempt from the minimum wage requirements of the fair labor  
 26 standards act of 1938, 29 USC 201 to 219.

27 (2) Notwithstanding subsection (1), an employee ~~shall~~ **must** be  
 28 paid in accordance with the minimum wage and overtime compensation  
 29 requirements of sections 4 and 4a if the employee meets either of

1 the following conditions:

2 (a) ~~He or she~~ **The employee** is employed in domestic service  
3 employment to provide companionship services as **that term is**  
4 defined in 29 CFR 552.6 for individuals who, because of age or  
5 infirmity, are unable to care for themselves and is not a live-in  
6 domestic service employee as described in 29 CFR 552.102.

7 (b) ~~He or she~~ **The employee** is employed to provide ~~child care,~~  
8 **childcare**, but is not a live-in domestic service employee as  
9 described in 29 CFR 552.102. However, the requirements of sections  
10 4 and 4a do not apply if the employee meets all the following  
11 conditions:

12 (i) ~~(i) He or she is under~~ **Is younger than** the age of 18.

13 (ii) ~~(ii) He or she provides~~ **Provides** services on a casual  
14 basis as **that term is** defined in 29 CFR 552.5.

15 (iii) ~~(iii) He or she provides~~ **Provides** services that do not  
16 regularly exceed 20 hours per week, in the aggregate.

17 (3) This act does not apply to ~~persons~~ **individuals** employed in  
18 summer camps for not more than 4 months or to employees who are  
19 covered under section 14 of the fair labor standards act of 1938,  
20 29 USC 214.

21 (4) This act does not apply to agricultural fruit growers,  
22 pickle growers and tomato growers, or other agricultural employers  
23 who traditionally contract for harvesting on a piecework basis, as  
24 to those employees used for harvesting, until the board has  
25 acquired sufficient data to determine an adequate basis to  
26 establish a scale of piecework and determines a scale equivalent to  
27 the prevailing minimum wage for that employment. The piece rate  
28 scale ~~shall~~ **must** be equivalent to the minimum hourly wage in that,  
29 if the payment by unit of production is applied to a worker of

1 average ability and diligence in harvesting a particular commodity,  
2 ~~he or she~~ **the worker** receives an amount not less than the hourly  
3 minimum wage.

4 (5) Notwithstanding any other provision of this act,  
5 subsection (1) (a) and (b) and subsection (2) do not deprive an  
6 employee or any class of employees of any right that existed on  
7 September 30, 2006 to receive overtime compensation or to be paid  
8 the minimum wage.