

CLIENT ALERTS

Michigan Minimum Wage Increasing January 1, 2016

12.4.2015

Effective January 1, 2016 the minimum wage in Michigan will increase to \$8.50 per hour. This is the second of the graduated increases in the minimum wage enacted in 2014 by the Michigan Legislature.

The Michigan's minimum wage applies to any employer in the state which has two or more employees. The Federal Fair Labor Standards Act ("FLSA") also applies to most employers in Michigan. The current federal minimum wage remains at \$7.25 per hour. However, the FLSA requires covered employers to apply state or local wage laws which are more favorable to the employee than the federal law. Thus, the Michigan minimum wage applies to all employers in Michigan covered by the federal FLSA.

The Michigan minimum wage is subject to change annually on January 1 each year going forward. On January 1, 2017 it will increase to \$8.90 and to \$9.25 per hour on January 1, 2018. After that, the minimum wage in Michigan will be adjusted annually based on changes in the Consumer Price Index. The minimum hourly wage for tipped employees increases to \$3.23 per hour on January 1, 2016 and will continue to adjust annually at 38% of the then current minimum wage.

Wage and hour claims are among the fastest growing type of claims now being filed. It is important that employers be aware of their obligations, not only with regard to minimum wage payments, but also overtime requirements and recordkeeping.

If you have any questions about wage and hour issues, please contact the author of this bulletin or your Butzel Long attorney.

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