

# CLIENT ALERTS

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## Michigan Minimum Wage Increasing January 1, 2018

12.13.2017

Effective January 1, 2018 the minimum wage in Michigan will increase to \$9.25 per hour. This is the result of the graduated increases in the state minimum wage enacted in 2014 by the Michigan Legislature. The minimum wage for tipped employees also increases on January 1 to \$3.52 per hour (provided that tips per hour average at least \$5.79 since tipped employees must make at least minimum wage when tips are included).

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.

This is the last of the specifically enumerated minimum wage increases set forth in the 2014 Act. Going forward, the minimum wage in Michigan will be adjusted annually based on changes in the Consumer Price Index (up or down with some limits). The minimum hourly wage for tipped employees will also 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. Such claims can be for overtime not properly calculated or paid, improperly classifying an employee as exempt from overtime, improperly classifying a person as an independent contractor, and more. It is important that employers be aware of their obligations, not only with regard to minimum wage payments, but also overtime requirements and recordkeeping.

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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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