



Michigan Department of Labor and Economic Opportunity

Wage and Hour Division
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GENERAL REQUIREMENTS - MINIMUM WAGE and OVERTIME

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%** Hourly Rate
		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 8.5% or greater for the calendar year preceding the calendar year of the prescribed increase. An increase in the minimum hourly wage rate as prescribed in subsection (1) that does not take effect pursuant to this subsection takes effect in the first calendar year following a calendar year for which the unemployment rate for this state, as determined by the Bureau of Labor Statistics, United States Department of Labor, is less than 8.5%.

▶ ** Minors 16-17 years of age may be paid 85% of the minimum hourly wage rate.

Training Wage

A training wage of \$4.25 per hour may be paid to employees 16 to 19 years of age for the first 90 days of employment.

Overtime

Employees covered by the IWOWA must be paid 1-1/2 times their regular rate of pay for hours worked over 40 in a 7-day workweek. The following are exempt from overtime requirements: employees exempt from the minimum wage provisions of the Fair Labor Standards Act of 1938, 29 USC 201 to 219 (except certain domestic service employees), professional, administrative, or executive employees; elected officials and political appointees; employees of amusement and recreational establishments operating less than 7 months of the year; agricultural employees, and any employee not subject to the minimum wage provisions of the act.

Compensatory Time

If an employer meets certain conditions, employees may agree to receive compensatory time of 1-1/2 hours for each hour of overtime worked. The agreement must be voluntary, in writing, and obtained before the compensatory time is earned. All compensatory time earned must be paid to an employee. Accrued compensatory time may not exceed 240 hours. Employers must keep a record of compensatory time earned and paid. Contact the Wage and Hour Division for information on the conditions an employer must meet in order to offer compensatory time off in lieu of overtime compensation.

Equal Pay

An employer shall not discriminate on the basis of sex by paying employees a rate which is less than the rate paid to employees of the opposite sex for equal work on jobs requiring equal skill, effort, and responsibility performed under similar working conditions - except where payment is pursuant to a seniority system, merit system or system measuring earnings on the basis of quantity or quality of production or a differential other than sex.

Enforcement

An employee may either file civil action for recovery of unpaid minimum wages or overtime, or they may file a complaint with the Department of Labor and Economic Opportunity. The department may investigate a complaint and file civil action to collect unpaid wages or overtime due the employee and all employees of an establishment. Recovery under this act can include unpaid minimum wages or overtime, plus an equal additional amount as liquidated damages, costs, and reasonable attorney fees. A civil fine of \$1,000 can be assessed to an employer who does not pay minimum wage or overtime.

LEO is an equal opportunity employer/program.

Auxiliary aids, services and other reasonable accommodations are available, upon request, to individuals with disabilities.

www.michigan.gov/wagehour • Toll Free 1-855-4MI-WAGE (1-855-464-9243)

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