

# SENATE BILL No. 168

March 7, 2019, Introduced by Senators ALEXANDER, WOJNO, BAYER, MCMORROW, CHANG, GEISS, ANANICH, HERTEL, POLEHANKI, HOLLIER, IRWIN, MCCANN, BRINKS, MOSS and BULLOCK and referred to the Committee on Government Operations.

A bill to amend 2018 PA 337, entitled "Improved workforce opportunity wage act," by amending sections 4 and 4d (MCL 408.934 and 408.934d), as amended by 2018 PA 368.

**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) Before September 1, 2014, \$7.40.~~
  - 4        ~~— (b) Beginning September 1, 2014, \$8.15.~~
  - 5        ~~— (c) Beginning January 1, 2016, \$8.50.~~
  - 6        ~~— (d) Beginning January 1, 2017, \$8.90.~~
  - 7        ~~— (e) Beginning January 1, 2018, \$9.25.~~
  - 8        ~~— (f) In calendar year 2019, or a subsequent calendar year as~~

1 ~~described in subsection (2), \$9.45.~~

2 ~~—— (g) In calendar year 2020, or a subsequent calendar year as~~  
3 ~~described in subsection (2), \$9.65.~~

4 ~~—— (h) In calendar year 2021, or a subsequent calendar year as~~  
5 ~~described in subsection (2), \$9.87.~~

6 ~~—— (i) In calendar year 2022, or a subsequent calendar year as~~  
7 ~~described in subsection (2), \$10.10.~~

8 ~~—— (j) In calendar year 2023, or a subsequent calendar year as~~  
9 ~~described in subsection (2), \$10.33.~~

10 ~~—— (k) In calendar year 2024, or a subsequent calendar year as~~  
11 ~~described in subsection (2), \$10.56.~~

12 ~~—— (l) In calendar year 2025, or a subsequent calendar year as~~  
13 ~~described in subsection (2), \$10.80.~~

14 ~~—— (m) In calendar year 2026, or a subsequent calendar year as~~  
15 ~~described in subsection (2), \$11.04.~~

16 ~~—— (n) In calendar year 2027, or a subsequent calendar year as~~  
17 ~~described in subsection (2), \$11.29.~~

18 ~~—— (o) In calendar year 2028, or a subsequent calendar year as~~  
19 ~~described in subsection (2), \$11.54.~~

20 ~~—— (p) In calendar year 2029, or a subsequent calendar year as~~  
21 ~~described in subsection (2), \$11.79.~~

22 ~~—— (q) In calendar year 2030, or a subsequent calendar year as~~  
23 ~~described in subsection (2), \$12.05.~~

24 **(1) SUBJECT TO THE EXCEPTIONS SPECIFIED IN THIS ACT, THE**  
25 **MINIMUM HOURLY WAGE RATE IS:**

26 **(A) BEGINNING JANUARY 1, 2019, \$10.00.**

27 **(B) BEGINNING JANUARY 1, 2020, \$10.65.**

1 (C) BEGINNING JANUARY 1, 2021, \$11.35.

2 (D) BEGINNING JANUARY 1, 2022, \$12.00.

3 (2) EVERY OCTOBER BEGINNING IN 2022, THE STATE TREASURER SHALL  
4 CALCULATE AN ADJUSTED MINIMUM HOURLY WAGE RATE. THE STATE TREASURER  
5 SHALL CALCULATE THE ADJUSTED MINIMUM HOURLY WAGE RATE BY  
6 MULTIPLYING THE OTHERWISE APPLICABLE MINIMUM HOURLY WAGE RATE BY  
7 THE 12-MONTH PERCENTAGE INCREASE, IF ANY, IN THE CONSUMER PRICE  
8 INDEX FOR URBAN WAGE EARNERS AND CLERICAL WORKERS, CPI-W, OR A  
9 SUCCESSOR INDEX, AS PUBLISHED BY THE BUREAU OF LABOR STATISTICS OF  
10 THE UNITED STATES DEPARTMENT OF LABOR, BASED ON THE MOST RECENT 12-  
11 MONTH PERIOD FOR WHICH DATA ARE AVAILABLE. THE STATE TREASURER  
12 SHALL PUBLISH THE ADJUSTED MINIMUM HOURLY WAGE RATE BY NOVEMBER 1  
13 OF THE YEAR IT IS CALCULATED. THE ADJUSTED MINIMUM HOURLY WAGE RATE  
14 IS EFFECTIVE BEGINNING JANUARY 1 OF THE SUCCEEDING YEAR.

15 (3) ~~(2)~~—An increase in the minimum hourly wage rate as  
16 prescribed in subsection ~~(1)~~ (2) does not take effect if the  
17 unemployment rate for this state, as determined by the Bureau of  
18 Labor Statistics, United States Department of Labor, is 8.5% or  
19 greater for the calendar year preceding the calendar year of the  
20 prescribed increase. ~~An increase in the minimum hourly wage rate as~~  
21 ~~prescribed in subsection (1) that does not take effect pursuant to~~  
22 ~~this subsection takes effect in the first calendar year following a~~  
23 ~~calendar year for which the unemployment rate for this state, as~~  
24 ~~determined by the Bureau of Labor Statistics, United States~~  
25 ~~Department of Labor, is less than 8.5%.~~

26 Sec. 4d. (1) The minimum hourly wage rate of an employee is  
27 ~~38% of the minimum hourly wage rate~~ **AS** established in section 4

1 UNDER SUBSECTION (2) if all of the following occur:

2 (a) The employee receives gratuities in the course of his or  
3 her employment.

4 (b) ~~If the~~ **THE** gratuities described in subdivision (a) ~~plus~~  
5 ~~the minimum hourly wage rate under this subsection do not equal or~~  
6 exceed **THE DIFFERENCE BETWEEN** the minimum hourly wage rate  
7 ~~otherwise established under section 4, the employer pays any~~  
8 ~~shortfall to the employee.~~ **SUBSECTION (2) AND THE MINIMUM HOURLY**  
9 **WAGE RATE ESTABLISHED UNDER SECTION 4.**

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

13 (D) **THE ENTIRETY OF THE GRATUITIES ARE RETAINED BY THE**  
14 **EMPLOYEE WHO RECEIVES THEM, EXCEPT AS VOLUNTARILY SHARED WITH OTHER**  
15 **EMPLOYEES WHO ARE DIRECTLY OR INDIRECTLY PART OF THE CHAIN OF**  
16 **SERVICE AND WHOSE DUTIES ARE NOT PRIMARILY MANAGERIAL OR**  
17 **SUPERVISORY.**

18 (E) ~~(d)~~ The employee was informed by the employer of the  
19 provisions of this section, **IN WRITING, AT OR BEFORE THE TIME OF**  
20 **HIRE, AND GAVE WRITTEN CONSENT.**

21 (2) **THE MINIMUM HOURLY WAGE RATE OF AN EMPLOYEE THAT MEETS THE**  
22 **REQUIREMENTS OF SUBSECTION (1) IS:**

23 (A) **BEGINNING JANUARY 1, 2019, 48% OF THE MINIMUM HOURLY WAGE**  
24 **RATE ESTABLISHED UNDER SECTION 4.**

25 (B) **BEGINNING JANUARY 1, 2020, 60% OF THE MINIMUM HOURLY WAGE**  
26 **RATE ESTABLISHED UNDER SECTION 4.**

27 (C) **BEGINNING JANUARY 1, 2021, 70% OF THE MINIMUM HOURLY WAGE**

1 RATE ESTABLISHED UNDER SECTION 4.

2 (D) BEGINNING JANUARY 1, 2022, 80% OF THE MINIMUM HOURLY WAGE  
3 RATE ESTABLISHED UNDER SECTION 4.

4 (E) BEGINNING JANUARY 1, 2023, 90% OF THE MINIMUM HOURLY WAGE  
5 RATE ESTABLISHED UNDER SECTION 4.

6 (F) BEGINNING JANUARY 1, 2024, 100% OF THE MINIMUM HOURLY WAGE  
7 RATE ESTABLISHED UNDER SECTION 4.

8 (3) ~~(2)~~—As used in this section, "gratuities" means tips or  
9 voluntary monetary contributions received by an employee from a  
10 guest, patron, or customer for services rendered to that guest,  
11 patron, or customer and that the employee reports to the employer  
12 for purposes of the federal insurance contributions act, 26 USC  
13 3101 to 3128.

14 (4) GRATUITIES REMAIN PROPERTY OF THE EMPLOYEE WHO RECEIVES  
15 THEM, EXCEPT PURSUANT TO A VALID AND VOLUNTARY TIP SHARING  
16 AGREEMENT DESCRIBED IN SUBSECTION (1) (D), REGARDLESS OF WHETHER THE  
17 EMPLOYER PAYS THE LOWER TIPPED HOURLY WAGE ESTABLISHED UNDER  
18 SUBSECTION (2) OR THE FULL MINIMUM HOURLY RATE ESTABLISHED UNDER  
19 SECTION 4. GRATUITIES AND SERVICE CHARGES PAID TO AN EMPLOYEE ARE  
20 IN ADDITION TO, AND DO NOT COUNT TOWARD, WAGES DUE THE EMPLOYEE.

21 (5) AN EMPLOYER SHALL PROVIDE EMPLOYEES AND CONSUMERS WRITTEN  
22 NOTICE OF ITS INTENT TO DISTRIBUTE SERVICE CHARGES.

23 (6) AN EMPLOYER SHALL KEEP RECORDS SHOWING COMPLIANCE WITH  
24 THIS SECTION FOR AT LEAST 3 YEARS AFTER THE DATE OF AN EMPLOYEE'S  
25 LAST PAY PERIOD.