SENATE BILL NO. 1233

November 29, 2022, Introduced by Senator SCHMIDT and referred to the Committee on Economic and Small Business Development.

A bill to amend 2014 PA 138, entitled "Workforce opportunity wage act," by amending sections 4 and 4d (MCL 408.414 and 408.414d); and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

(a) Before September 1, 2014, $7.40.
(b) Beginning September 1, 2014, $8.15.
(c) Beginning January 1, 2016, $8.50.
(d) Beginning January 1, 2017, $8.90.
(e) Beginning January 1, 2018, $9.25.
(f) Beginning on the effective date of the amendatory act that added this subdivision, $12.00.

(2) Every January beginning in January 2019, 2024, the state treasurer shall adjust the minimum wage by an amount determined by the state treasurer at the end of the preceding calendar year to reflect the average annual percentage change in the Consumer Price Index for the most recent 5-year period for which data are available. As used in this subsection, "Consumer Price Index" means the most comprehensive index of consumer prices available for the midwest region from the Bureau of Labor Statistics of the United States Department of Labor. The wage and hours division of the department of licensing and regulatory affairs shall post the adjusted minimum wage on its website by February 1 of the year it is calculated, and the adjusted rate is effective beginning April 1 of that year. An annual increase under this subsection shall not exceed 3.5%.

(3) An increase in the minimum hourly wage rate as prescribed in subsection (2) does not take effect if the unemployment rate determined by the Bureau of Labor Statistics of the United States Department of Labor for this state is 8.5% or greater for the year preceding the year of the prescribed increase.

Sec. 4d. (1) Before September 1, 2014, the minimum hourly wage rate is $2.65 per hour and, except as otherwise provided in subsection (2), beginning September 1, 2014, the minimum hourly
wage rate is 38% of the minimum hourly wage rate established in section 4 if all of the following occur:

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

   (b) If the gratuities described in subdivision (a) plus the minimum hourly wage rate under this subsection do not equal or exceed the minimum hourly wage otherwise established under section 4, the employer pays any shortfall to the employee.

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

   (d) The employee was informed by the employer of the provisions of this section.

(2) Beginning January 1, 2024, the minimum hourly wage rate is 40% of the minimum hourly wage rate established in section 4 if all of the following occur:

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

   (b) If the gratuities described in subdivision (a) plus the minimum hourly wage rate under this subsection do not equal or exceed the minimum hourly wage otherwise established under section 4, the employer pays any shortfall to the employee.

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

   (d) The employee was informed by the employer of the provisions of this section.

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

Enacting section 1. The improved workforce opportunity wage act, 2018 PA 337, MCL 408.931 to 408.945, is repealed.