

# Legislative Analysis



## NOTICE OF WAGE DEDUCTION FOR GARNISHMENT

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 4405 (H-2) as reported from committee**

**Sponsor: Rep. Jaime Churches**

**Committee: Labor**

**Complete to 12-7-24**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 4405 would amend 1978 PA 390, which regulates the payment of wages and fringe benefits to employees, to require employers to provide a 10-day notice if they will garnish an employee's wages to pay the employee's debts.

Currently, if an employer pays any part of an employee's debt under section 4012 of the Revised Judicature Act, the employer may deduct that amount from the employee's regularly scheduled wage payment without the written consent of the employee if all of the following conditions are met:

- The employer provides the employee with a written explanation of the deduction at least one pay period before the wage payment affected by the deduction was made.
- The deduction is not greater than 15% of the gross wages earned in the pay period in which the deduction was made.
- The deduction is made after the employer has made all other deductions permitted or required by law or collective bargaining agreement, and after any employee-authorized deductions.
- The deduction does not reduce the employee's wage to a rate that is less than the greater of either the state or federal minimum wage rate.<sup>1</sup>

House Bill 4405 would require that the written explanation be provided either one pay period in advance or 10 days before the deduction, whichever is greater.

The bill would go into effect 90 days after enactment.

MCL 408.477

### FISCAL IMPACT:

House Bill 4405 would have no fiscal impact on the state or on local units of government.

### POSITIONS:

Representatives of the following entities testified in support of the bill (4-13-23):

- Integrity Interiors Inc.
- Michigan Association for Justice
- Michigan Regional Council of Carpenters and Millwrights
- Woods Construction

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<sup>1</sup> As of January 1, 2024, the state minimum wage in Michigan for most employees is \$10.33 per hour.

The following entities indicated support for the bill:

- American Association of University Women of Michigan (12-5-24)
- IBEW Michigan State Conference (4-13-23)
- Michigan Laborers District Council (12-5-24)
- Michigan League for Public Policy (12-5-24)
- United Food and Commercial Workers Local 876 (12-5-24)

The Michigan Immigrant Rights Center indicated a neutral position on the bill. (12-5-24)

Representatives of the following entities testified in opposition to the bill (4-13-23):

- Michigan Chamber of Commerce
- National Federation of Independent Business

The following entities indicated opposition to the bill:

- Associated Builders and Contractors of Michigan (12-5-24)
- Detroit Chamber (12-5-24)
- Home Builders Association of Michigan (12-5-24)
- Michigan Ground Water Association (12-5-24)
- Michigan Manufacturers Association (12-5-24)
- Michigan Retailers Association (12-5-24)
- Small Business Association of Michigan (12-5-24)

Legislative Analyst: Holly Kuhn  
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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.