

MINIMUM WAGE LAW OF 1964 (EXCERPT)
Act 154 of 1964

408.387a Employees receiving gratuities; minimum hourly wage; “gratuities” defined.

Sec. 7a. (1) The minimum hourly wage rate of an employee shall be \$2.65 per hour if all of the following occur:

- (a) The employee receives gratuities in the course of his or her employment.
 - (b) The gratuities described in subdivision (a) equal or exceed the difference between \$2.65 per hour and the minimum hourly wage established under section 4.
 - (c) The gratuities are proven gratuities as indicated by the employee's declaration for federal insurance contribution act purposes.
 - (d) The employee was informed by the employer of the provisions of this section.
- (2) 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 contribution act, chapter 21 of subtitle C of the internal revenue code of 1986, 26 U.S.C. 3101 to 3128.

History: Add. 1974, Act 304, Eff. Apr. 1, 1975;—Am. 1997, Act 1, Imd. Eff. Mar. 12, 1997.

Compiler's note: For creation of the new wage and hour division as a type II agency within the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers and duties of the former wage and hour division of the department of consumer and industry services, transferred to the bureau of worker's and unemployment compensation, to the new wage and hour division within the department of labor and economic growth by type II transfer, see E.R.O. No. 2003-1, compiled at MCL 445.2011.