

2018 Minimum Wage Increase Effective January 1, 2018

Michigan's Workforce Opportunity Wage Act, Public Act 138 of 2014 amended the Minimum Wage Law. As part of a four-year phase in of minimum wage, the following changes will be effective January 1, 2018:

- Minimum hourly wage rate increases from \$8.90 to **\$9.25**.
- Tipped employees may be paid 38% of the minimum hourly wage rate, therefore **\$3.52** per hour. If the gratuities plus the tipped employee minimum hourly rate does not equal or exceed the minimum hourly wage, then the employer pays any shortfall to the employee.
- Training wage for new employees ages 16 to 19 remains at \$4.25 per hour for first 90 calendar days of employment.
- Minors 16-17 years of age may be paid 85% of the minimum hourly wage rate, as long as it exceeds the Federal Minimum Wage rate of \$7.86.
- Wages are paid based on when the work was performed. For hours worked prior to January 1, 2018 the employer is allowed to pay the employee at the rate of \$8.90/hour.

If we will be preparing your payroll and the payroll includes hours worked both prior to and after January 1, 2018, please provide us with the number of hours to be paid at each rate. *If this is not provided, the pay will be processed at the higher rate for the entire pay period.*