

The Improved Workforce Opportunity Wage Act  
Public Act 337 of 2018, as amended by Public Act 368 of 2018  
Frequently Asked Questions (FAQs)

**1. When will Michigan’s minimum hourly wage rate increase?**

Effective Date	Minimum Hourly Wage Rate	Tipped Employee		85% of Minimum Hourly Wage Rate **
		Minimum Hourly Rate	Reported Average Hourly Tips	
January 1, 2021*	\$9.65	\$3.67	\$5.98	\$8.20
January 1, 2022*	\$9.87	\$3.75	\$6.12	\$8.39

\*An increase in the minimum hourly wage rate as prescribed in subsection (1) does not take effect if the unemployment rate for this state, as determined by the Bureau of Labor Statistics, United States Department of Labor, is 8.5% or greater for the calendar year preceding the calendar year of the prescribed increase. An increase in the minimum hourly wage rate as prescribed in subsection (1) that does not take effect pursuant to this subsection takes effect in the first calendar year following a calendar year for which the unemployment rate for this state, as determined by the Bureau of Labor Statistics, United States Department of Labor, is less than 8.5%.

\*\*Minors 16-17 years of age may be paid 85% of the minimum hourly wage rate.

**2. Did Michigan’s overtime requirements change?**

No. Overtime requirements remain the same under the Improved Workforce Opportunity Wage Act. Nonexempt employees should be paid 1-1/2 times their regular rate of pay for hours worked over 40 in a 7-day workweek. The minimum salary compensation increased to \$684 per week (the current federal standard salary amount under FLSA) for those employees exempt from the overtime requirements under the Executive, Administrative and Professional employee exemption.

**3. Who is covered by the Michigan minimum wage and overtime law?**

The Improved Workforce Opportunity Wage Act applies to employees who work in Michigan for employers that have 2 or more employees, 16 years of age and older. Employers subject to both the state and federal minimum hourly wage rate should follow the stricter standard.

**4. Is there a different minimum hourly wage rate for minors?**

Yes, see table above for allowed 85% rate for 16 and 17 year old minors.

**5. Is there a training wage for newly hired employees 16 to 19 years of age?**

Newly hired employees, age 16 to 19 years may be paid \$4.25 per hour for the first 90 days of their employment.

**6. What is the minimum hourly wage rate for tipped employees?**

Tipped employees may be paid 38% of the minimum hourly wage rate provided:

- Employees are informed of the tip provisions
- Employees receive and report tips
- The tips received plus the wages paid equals or exceeds the minimum hourly wage rate and if not, the employer pays the shortfall

The table above identifies the allowed tipped employee hourly wage rate for both 2020 and 2021.

**7. How do I obtain the required minimum wage poster?**

The minimum wage and overtime poster may be downloaded from the Wage and Hour Division’s website, [www.michigan.gov/wagehour](http://www.michigan.gov/wagehour), or free copies may be requested by calling 855-464-9243 (4MI- WAGE). Posters are available in English, Spanish, and Arabic.

**8. How do I file a claim for unpaid minimum wages and/or overtime?**

Claims may be filed online at [www.michigan.gov/wageclaim](http://www.michigan.gov/wageclaim), in person at a Wage and Hour Division office, or a form may be requested by calling 855-464-9243 (4MI-WAGE). Claim forms are available in English, Spanish, and Arabic.

**9. What if I have additional questions?**

Please visit [www.michigan.gov/wagehour](http://www.michigan.gov/wagehour) or call 855-464-9243 (4MI-WAGE).