

## Resources

### Michigan Hikes Minimum Wage to \$9.25 Per Hour

May 28, 2014

Yesterday, Michigan Governor Rick Snyder signed a bill increasing the minimum wage in Michigan gradually over the next four years from the current \$7.40 per hour to \$9.25 per hour. The first increase goes into effect on September 1, 2014, and increases the minimum wage to \$8.15 per hour. A second increase goes into effect on January 1, 2016 that increases the minimum wage to \$8.50 per hour, followed by a third increase at the beginning of 2017 to \$8.90 per hour, and a final increase to \$9.25 per hour at the beginning of 2018. After 2018, subsequent annual increases will occur tied to the current rate of inflation, provided the state unemployment rate does not exceed 8.5%. Any such increase is capped at 3.5% per year.

There are a number of other provisions in the new law about which employers in Michigan should be aware. For example, the bill permits an employer to pay a “training hourly wage” of \$4.25 per hour to a new employee less than 20 years of age for the first ninety days of their employment. The minimum wage for employees under 18 years of age is lowered to 85% of the minimum wage in effect at the time (so, effective September 1, 2014, \$6.93 per hour). Finally, effective September 1, 2014, tipped employees are eligible to receive an hourly wage of 38% of the state minimum wage (\$3.10 per hour), an increase from the current minimum wage for tipped employees of \$2.65 per hour.

For more information, please contact the author of this alert, **James Hermon** (313-568-6540; [jhermon@dykema.com](mailto:jhermon@dykema.com)), any of the Labor & Employment attorneys listed to the left, or your Dykema relationship attorney.

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Labor & Employment

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