



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

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DIRECTOR

Informational Sheet: Minimum Wage 85% Minimum Hourly Wage Rate

The Improved Workforce Opportunity Wage Act, Public Act 337 of 2018, as amended, allows workers age 16-17 to be paid a lower minimum hourly wage rate. The statutory provisions covering the lower wage can be found at Section 4b(2), MCL 408.934b(2) of the Michigan Compiled Laws. Anyone interested in information on the lower wage should consult the statute for the complete text.

An employer covered by the Improved Workforce Opportunity Wage Act may pay an employee 16-17 years of age, 85% of the minimum hourly wage rate.

The following conditions apply to the 85% wage:

An employer may not discharge, layoff or displace another employee or reduce the hours, wages or benefits of an employee to hire a worker at the 85% wage.

The hourly rate of pay for a worker subject to the 85% lower wage provisions is:

Effective Date	Minimum Hourly Wage Rate	85% of Minimum Hourly Wage Rate*
January 1, 2021**	\$9.65	\$8.20
January 1, 2022**	\$9.87	\$8.39*
January 1, 2023**	\$10.10	\$8.59*

*Section 10(1) of Public Act 337 of 2018, as amended, being MCL 408.940(1) states: “. . . This act does not apply to an employer that is subject to the minimum wage provisions of the fair labor standards act of 1938, 29 USC 201 to 219, unless those federal minimum wage provisions would result in a lower minimum hourly wage than provided in this act..”

**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%.

Employers who violate the 85% lower wage provisions are subject to payment of minimum wages, liquidated damages, and a civil fine of up to \$1,000.00.

For more information visit our web site at www.michigan.gov/wagehour or call our office toll free at 1-855-4MI-WAGE (1-855-464-9243).

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