

Michigan Minimum Wage Increases Enacted

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Michigan Governor Rick Snyder has signed the Workforce Opportunity Wage Act, mandating gradual increases in the state's minimum wage to \$9.25 an hour by January 1, 2018. The Act ties increases to the rate of inflation beginning 2019.

The first of four raises mandated by Senate Bill 934 (Public Act 138), to \$8.15 an hour, occurs September 1, 2014. Michigan's minimum wage since 2008 has been \$7.40 an hour for workers who do not receive a tip and \$2.65 an hour for workers earning tips, such as waiters.

Also beginning September 1, 2014, tipped employees would have a minimum rate that is 38 percent of the minimum for non-tipped workers, or about \$3.51 an hour.

The state's hourly minimum for non-tipped workers will increase as follows:

- Beginning September 1, 2014, to \$8.15.
- Beginning January 1, 2016, to \$8.50.
- Beginning January 1, 2017, to \$8.90.
- Beginning January 1, 2018, to \$9.25.

Starting in 2019, minimum wage increases will be tied to the rate of inflation, but any increase will be capped at 3.5 percent a year. The rate will adjust annually based on a five-year rolling average of inflation for the Midwest. Annual increases would take effect on April 1 of each year. No increase would occur if the state's unemployment rate for the preceding year was 8.5 percent or higher.

Several other states, including Delaware and Minnesota, also have adopted increases this year, and the minimum wage for workers on new federal contracts has been raised to \$10.10 per hour.

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