

Governor Signs Minimum Wage Hike

March 29, 2006

Michigan Governor Jennifer Granholm signed into law yesterday the first increase to Michigan's minimum wage in nine years. Miller Canfield previously reported on the passage of this legislation, which will increase Michigan's minimum wage to \$6.95 per hour on October 1, 2006, to \$7.15 per hour on July 1, 2007, and to \$7.40 per hour on July 1, 2008.

Of some note, the new law leaves unchanged the \$2.65 sub-minimum wage rate for tipped employees. Practically speaking, however, tipped employees should still receive the benefits of the increase because, to be legally valid, the \$2.65 rate must be in addition to a sufficient amount of tips to make up the gap between \$2.65 and the minimum wage set by law.

Michigan now joins at least 16 other states that have increased their state minimum wages to above the federal standard of \$5.15 per hour.

This message is for general information only and should not be used as a basis for specific action without obtaining further legal advice.