



House Office Building, 9 South
Lansing, Michigan 48909
Phone: 517/373-6466

MINIMUM WAGE: INCREASE AND INDEX TO INFLATION

House Bill 4508
Sponsor: Rep. Jack Minore
**Committee: Employment Relations,
Training and Safety**

Complete to 9-15-00

A SUMMARY OF HOUSE BILL 4508 AS INTRODUCED 4-20-99

The bill would amend the Minimum Wage Law of 1964 to increase the minimum hourly wage rate from the current \$5.15 to \$5.65, beginning September 1, 1999, and then to \$6.15, beginning January 1, 2000. Beginning January 1, 2001, the bill would adjust the minimum hourly wage rate of \$6.15 annually to reflect the cumulative annual percentage change in the Consumer Price Index (which the bill would define to mean the most comprehensive index of consumer prices available for this state from the federal Bureau of Labor Statistics).

The bill also would amend the act to require that employees who received certain gratuities (those that equaled or exceeded the difference between \$2.65 per hour and the act's minimum hourly wage) in the course of their employment receive half of the minimum hourly wage instead of the current \$2.65 per hour. (The act defines "gratuities" to mean tips of voluntary monetary contributions received by employees from guests, patrons, or customers for services rendered to that guest, patron, or customer and that the employee reports to the employer for purposes of the Federal Insurance Contribution Act.)

MCL 208.384 and 408.387a

House Bill 4508 (9-15-00)

Analyst: S. Ekstrom

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.