

HOUSE BILL NO. 5620

March 20, 2024, Introduced by Reps. Byrnes, Pohutsky, Rheingans, Dievendorf, Paiz, Young, Steckloff, Brixie, Hood, Arbit, Tsernoglou, Conlin, Price, MacDonell, Glanville, McKinney, Breen, Wilson, Hope, Grant, Weiss, Wegela, Andrews, Coffia, Rogers, Scott, McFall, Skaggs, Brabec, Morgan, Haadsma, Farhat, Hill, Hoskins, Martus and Aiyash and referred to the Committee on Labor.

A bill to amend 1978 PA 390, entitled

"An act to regulate the time and manner of payment of wages and fringe benefits to employees; to prescribe rights and responsibilities of employers and employees, and the powers and duties of the department of labor; to require keeping of records; to provide for settlement of disputes regarding wages and fringe benefits; to prohibit certain practices by employers; to prescribe penalties and remedies; and to repeal certain acts and parts of acts,"

by amending section 18 (MCL 408.488).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 18. (1) The department shall order an employer who
2 violates section 2, 3, 4, 5, 6, 7, or 8 to pay the following:

1 (a) Wages due ~~to~~ the employee.

2 (b) Fringe benefits due ~~to~~ or on ~~the~~ behalf of the employee in
3 accordance with ~~the terms set forth in the~~ written contract or
4 written policy.

5 (c) A penalty at the rate of 10% annually on the wages and
6 fringe benefits due **the employee**, beginning at the time the
7 employer is notified that a complaint has been filed and ending
8 when payment is made.

9 (2) The department may order an employer who violates section
10 2, 3, 4, 5, 6, 7, or 8 to pay to the employee exemplary damages of
11 not more than ~~twice~~ **2 times** the amount of the wages and fringe
12 benefits ~~which that~~ were due **the employee**, if the violation is
13 flagrant or repeated.

14 (3) The department may order an employer who violates section
15 2, 3, 4, 5, 6, 7, or 8 to pay attorney costs, hearing costs, and
16 transcript costs.

17 (4) The department may assess a civil ~~penalty~~ **fine** of not more
18 than \$1,000.00 against an employer who violates this act. ~~, which~~
19 **The civil ~~penalty~~ shall ~~fine~~ must** be credited to the general fund
20 of this state.

21 (5) **All of the following apply to a violation of section 9a:**

22 (a) **For a first violation, the department shall issue a notice**
23 **of violation to the employer that states that the employer must**
24 **correct the violation not later than 14 days after the employer**
25 **receives the notice. If the employer does not correct the violation**
26 **within the 14-day period, the employer is subject to a civil fine**
27 **of not more than \$500.00.**

28 (b) **For a second violation, the employer is subject to a civil**
29 **fine of not more than \$5,000.00.**

1 (c) For a third violation, the employer is subject to a civil
2 fine of not more than \$15,000.00.

3 (d) For a fourth violation or subsequent violation, the
4 employer is subject to a civil fine of not more than \$25,000.00.

5 (e) An individual aggrieved by a violation of section 9a may
6 bring an action to recover actual damages. A court shall award a
7 plaintiff who prevails in an action brought under this subdivision
8 both of the following:

9 (i) Actual damages or \$10,000.00, whichever is greater.

10 (ii) Actual costs, including reasonable attorney fees.

11 (6) The sanctions and remedies established under subsection
12 (5) are in addition to any other applicable sanction or remedy
13 established under this act for a violation of this act.

14 Enacting section 1. This amendatory act does not take effect
15 unless Senate Bill No. ____ or House Bill No. 5619 (request no.
16 02419'23) of the 102nd Legislature is enacted into law.