

**MICHIGAN DEPARTMENT OF CONSUMER & INDUSTRY SERVICES  
BUREAU OF SAFETY AND REGULATION  
GENERAL RULES**

**Wage and Hour Division  
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(By authority conferred on the director of consumer & industry services by section 6 of Act No. 154 of the Public Acts of 1964, as amended, being §§408.386, 16.107, 16.109, and 16.477 of the Michigan Compiled Laws)

**R 408.701 Definitions.**

Rule 1. As used in these rules:

- (a) "Act" means Act No. 154 of the Public Acts of 1964, as amended, being §408.381 et seq. of the Michigan Compiled Laws.
- (b) "Commission" means all earnings of an employee, in addition to the hourly rate of pay, which the employee has been led to expect on a regular basis as a result of an employment contract, agreement, or promise.
- (c) "Gratuity" means a tip or voluntary monetary contribution which is received by an employee from a guest, patron, or customer for services rendered to that guest, patron, or customer and which is reported by the employee to the employer for federal insurance contribution act (social security) purposes.
- (d) "Political appointee" means either of the following:
  - (i) A person who is directly appointed by, and who serves at the pleasure of, a person who holds public elective office or a public body.
  - (ii) A person who is subject to approval for appointment by, and who serves at the pleasure of, a person who holds public elective office or a public body.
- (e) "Public body" means any state or local legislative or executive body, including a board, commission, committee, subcommittee, authority, or council, which is empowered by the state constitution, statute, charter, ordinance, resolution, or rule to exercise governmental or proprietary authority or to perform a governmental or proprietary function.
- (f) Omitted
- (g) "Workweek," as applied to an employee, means a fixed and regular recurring period of 168 hours or 7 consecutive 24-hour periods. It need not coincide with the calendar week, but may begin on any day and at any hour of the day. For purposes of computing overtime pay, a single workweek may be established for 1 employee or different workweeks may be established for different employees or groups of employees.

**R 408.702 Records.**

Rule 2. (1) An employer shall keep employment records for each employee showing all of the following:

- (a) Name
- (b) Home address
- (c) Date of birth
- (d) Occupation in which employed
- (e) Total daily hours worked, computed to the nearest unit of 15 minutes
- (f) Total hours worked in each pay period
- (g) Total hours worked in each work period when the work period does not coincide with the pay period.

- (h) Total hourly, daily, or weekly basic wage
- (i) Total wages paid each pay period
- (j) Itemization of all deductions made each pay period
- (k) Separate itemization of all credits for meals, tips, and lodging against the minimum wage taken each pay period if any
- (2) Omitted
- (3) If a credit is taken for gratuities received by an employee, the employment records shall contain for each pay period in which the credit was taken a statement of the amount of gratuities received by the employee. The statement shall be signed by the employee and dated on or before the date the paycheck was received.
- (4) If gratuity credits are taken after gratuities are pooled and redistributed, the employment records shall contain consent statements signed by the employees who receive the gratuities directly from the customer. The consent statement should be to the effect that the employee consents to the pooling and redistribution arrangement. It should also indicate the specific amount received by the employee as the result of the pooling arrangement.
- (5) (6) (7) Omitted
- (8) Records required under this rule shall be preserved by the employer for 3 years after the date thereof.

**R 408.703 Omitted**

**R 408.704 Credit for gratuities received.**

Rule 4. (1) For the purpose of allowing credit for gratuities received by employees, the amount of gratuities received by an employee shall be either of the following:

- (a) All gratuities received directly from guests, patrons, or customers, if the employee has not consented to participate in a tip pooling arrangement.
- (b) All gratuities received after redistribution in accordance with a voluntary tip pooling arrangement between or among employees who customarily and regularly receive tips. The employment records shall contain consent statements signed by all participating employees authorizing the tip pooling arrangement. The consent statement shall be to the effect that the employee consents to the pooling and redistribution arrangement. It should also indicate the specific amount received by the employee as the result of the pooling arrangement.
- (2) All gratuities received in accordance with a voluntary tip pooling arrangement shall be redistributed to those employees participating in the tip pool.
- (3) Omitted

**R 408.705 Omitted**

**R 408.706 Complaint; filing date, time limitation.**

Rule 6. (1) A complaint shall be considered filed with the department as of the date it is received by the department.  
(2) A claim must be filed with the department within 3 years from the date the wages were due and owing to the employee.