



Department of Licensing and Regulatory Affairs

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MICHIGAN'S MINIMUM WAGE SET TO INCREASE ON JULY 1

Rate will rise to \$7.40 an hour

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JUNE 23, 2008 - Michigan's minimum wage will increase by 25 cents on July 1, when it climbs to \$7.40 an hour for most workers.

"At a time when workers are feeling squeezed by the rising costs of everything from gas to groceries, the minimum wage increase will help citizens keep pace with the growing demand on their pocketbooks," Governor Jennifer M. Granholm said.

The increase is the last of three increases approved in 2006 by the state legislature and signed into law by Governor Granholm. The minimum wage increased to \$6.95 on October 1, 2006, from \$5.15, and then to \$7.15 on July 1, 2007.

"The increase in Michigan's minimum wage will increase the earnings of minimum wage workers in the state," Keith W. Cooley, director of the Department of Labor & Economic Growth, noted. "These are earnings that will be used to purchase local goods and services for themselves and their families."

Along with the minimum wage change, the sub-minimum wage for young workers will also increase, rising to \$6.29 an hour from its current rate of \$6.08. The rate will then move to \$6.55 an hour on July 24, when the federal minimum wage increases and these younger workers become covered by the higher federal rate. The sub-minimum wage is for those under 18 years of age and equals 85 percent of the adult minimum wage.

The minimum wage for tipped employees will not increase on July 1. Employers, however, must ensure that these employees earn \$7.40 an hour through a combination of tips and the minimum wage rate of \$2.65 for tipped workers, such as food servers. In addition, agricultural workers will continue to be covered, and by law, they must be paid the equivalent of Michigan's minimum wage for their work, whether paid at a piecework rate or an hourly rate.

"The Wage & Hour Division website offers information about the minimum wage and is available 24/7 to anyone who has questions about the increase or other provisions of the minimum wage and overtime law," Wage & Hour Administrator Jack Finn said. "The division's website address is www.michigan.gov/wagehour. Those without Internet access can call the Division and speak with staff by dialing **517-335-0400** on weekdays between 8:00 a.m. and 5:00 p.m."

Despite last year's increase and forthcoming increases in the federal minimum wage, most Michigan workers will not be affected by the changes as the state's minimum wage rate will remain above the federal rate. The federal minimum hourly wage is currently \$5.85 and increases to \$6.55 on July 24 and to \$7.25 on July 24, 2009.

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