

No, It's Not Groundhog Day – Another State Raises Its Minimum Wage

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Yesterday, we reported on this blog that [Hawaii had recently enacted legislation to raise its minimum wage](#) to \$10.10 per hour on an incremental basis. Hawaii was just one of several states that have adopted increases to its minimum wage in recent months. Well, here we go again. No, it's not Groundhog Day, but it sure feels like it. Late yesterday, the Michigan legislature passed a bill to increase the state's minimum wage and the Governor quickly signed it last night. The new law will increase Michigan's minimum wage from \$7.40 per hour to \$9.25 per hour over the next four years. The \$9.25 per hour was significantly less than what labor and employee advocates had wanted (\$10.10 per hour), but likely significant enough to keep this issue from being put on the ballot for the voters to decide. Indeed, the ballot initiative is likely moot now because Michigan didn't just amend its existing minimum wage law (which was the target of the ballot initiative); the state actually repealed that law. The Minimum Wage Law of 1964 has been replaced with The Workforce Opportunity Wage Act. So, how will this impact your Michigan-based operations? The minimum wage will increase as follows:

- On September 1, 2014, it increases to \$8.15 per hour.
- On January 1, 2016, it increases to \$8.50 per hour.
- On January 1, 2017, it increases to \$8.90 per hour.
- On January 1, 2018, it increases to \$9.25 per hour.

The legislation also provides that in January 2019, the minimum wage will be adjusted annually "by an amount determined by the state treasurer at the end of the preceding calendar year to reflect the average annual percentage change in the consumer price index for the most recent 5-year period for which data are available." That minimum wage increase will be effective on April 1 of that year, but an annual increase shall not exceed 3.5 percent.

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