GRETCHEN WHITMER
GOVERNOR

Michigan Department of Labor and Economic Opportunity

Wage and Hour Division
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REQUIRED POSTER
GENERAL REQUIREMENTS - MINIMUM WAGE and OVERTIME

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Coverage

The Improved Workforce Opportunity Wage Act (IWOWA), Public Act 337 of 2018 covers employers who employ 2 or more employees 16 years of age and older.

Minimum Hourly Wage Rate

Effective Date	Minimum Hourly Wage Rate	Tipped Employee		85%** Rate
		Minimum Hourly Rate	Reported Average Hourly Tips	
February 21, 2025	$12.48	$4.74	$7.74	$10.61
January 1, 2026	$13.73	$5.49	$8.24	$11.67
January 1, 2027	$15.00	$6.30	$8.70	$12.75

The minimum hourly wage rate of an employee eligible to be considered tipped employee shall be 38% of the minimum hourly wage rate effective February 21, 2025; beginning January 1, 2026, it shall be 40% of the minimum hourly wage rate; beginning January 1,2027, it shall be 42% of the minimum hourly wage rate; beginning January 1, 2028, it shall be 44% of the minimum hourly wage rate; beginning January 1, 2029, it shall be 46% of the minimum hourly wage rate; beginning January 1, 2030, it shall be 48% of the minimum hourly wage rate; and beginning January 1, 2031 and thereafter, it shall be 50% of the minimum hourly wage rate.

85% Rate

Minors under the age of 18 may be paid 85% of the minimum hourly wage rate.

Training Wage

A training wage of $4.25 per hour may be paid to employees under 20 years of age for the first 90 calendar days of employment.

Overtime

Employees covered by the IWOWA must be paid 1-1/2 times their regular rate of pay for hours worked over 40 in a workweek. The following are exempt from overtime requirements: employees exempt from the minimum wage provisions of the Fair Labor Standards Act of 1938, 29 USC 201 to 219 (except certain domestic service employees), professional, administrative, or executive employees; elected officials and political appointees; employees of amusement and recreational establishments operating less than 7 months of the year; agricultural employees, and any employee not subject to the minimum wage provisions of the act. Public sector and certain private sector employers not covered by the FLSA may be able to use compensatory time in lieu of overtime under specific provision.

Equal Pay

An employer shall not discriminate on the basis of sex by paying employees a rate which is less than the rate paid to employees of the opposite sex for equal work on jobs requiring equal skill, effort, and responsibility performed under similar working conditions - except where payment is pursuant to a seniority system, merit system or system measuring earnings on the basis of quantity or quality of production or a differential other than sex.

Enforcement

An employee may either file civil action for recovery of unpaid minimum wages or overtime, or they may file a complaint with the Department of Labor and Economic Opportunity. The department may investigate a complaint and file civil action to collect unpaid wages or overtime due the employee and all employees of an establishment. Recovery under this act can include unpaid minimum wages and/or overtime, plus an equal additional amount as liquidated damages, costs, and reasonable attorney fees. A civil fine of $1,000 can be assessed to an employer who does not pay minimum wage and/or overtime. A civil fine of $2,500 can be assessed to an employer who does not pay minimum wage to tipped employees.