

HOUSE BILL No. 4206

February 26, 1987, Introduced by Reps. DeLange, Middaugh, Miller, Stacey, Krause, Gnodtke, Willis Bullard, Sparks, Oxender, O'Connor, Walberg, Allen, Nye and Honigman and referred to the Committee on Labor.

A bill to amend section 7 of Act No. 390 of the Public Acts of 1978, entitled as amended

"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,"

being section 408.477 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 7 of Act No. 390 of the Public Acts of
2 1978, being section 408.477 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 7. (1) With the exception of those deductions required
5 or expressly permitted by law or by a collective bargaining
6 agreement, an employer shall not deduct from the wages of an

1 employee, directly or indirectly, any amount without the full,
2 free, and written consent of the employee, obtained without
3 intimidation or fear of discharge for refusal to permit the
4 deduction. A deduction for the benefit of the employer shall
5 require written consent from the employee for each wage payment
6 subject to the deduction, and the cumulative amount of the deduc-
7 tions shall not reduce the gross wages paid to a rate less than
8 minimum rate as defined in THE MINIMUM WAGE LAW OF 1964, Act
9 No. 154 of the Public Acts of 1964, as amended, being sections
10 408.381 to ~~408.397~~ 408.398 of the Michigan Compiled Laws. Each
11 deduction shall be substantiated in the records of the employer
12 and shall be identified as pertaining to an individual employee.
13 Prorating of deductions between 2 or more employees shall not be
14 permitted.

15 (2) AN EMPLOYER MAY DEDUCT AN OVERPAYMENT OF WAGES OR FRINGE
16 BENEFITS MADE TO AN EMPLOYEE FROM 1 OR MORE SUBSEQUENT WAGE PAY-
17 MENTS WITHOUT OBTAINING THE WRITTEN CONSENT OF THE EMPLOYEE IF
18 THE OVERPAYMENT RESULTED FROM A CLERICAL OR ACCOUNTING ERROR.
19 HOWEVER, THE CUMULATIVE AMOUNT OF THE DEDUCTIONS SHALL NOT REDUCE
20 THE GROSS WAGES PAID TO A RATE LESS THAN MINIMUM RATE AS PRE-
21 SCRIBED BY SUBSECTION (1).