

# HOUSE BILL No. 4156

February 7, 1991, Introduced by Reps. DeLange, Middaugh, Ouwinga, Hoekman, Dalman, Walberg, Horton, Bender, Willis Bullard, Hoffman and Jaye 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~~ REQUIRES written consent from the employee for each wage  
6 payment subject to the deduction, and the cumulative amount of  
7 the deductions shall not reduce the gross wages paid to a rate  
8 less than minimum rate as defined in THE MINIMUM WAGE LAW OF  
9 1964, Act No. 154 of the Public Acts of 1964, as amended, being  
10 sections 408.381 to ~~408.397~~ 408.398 of the Michigan Compiled  
11 Laws. Each deduction shall be substantiated in the records of  
12 the employer and shall be identified as pertaining to an individ-  
13 ual employee. Prorating of deductions between 2 or more employ-  
14 ees ~~shall~~ IS not ~~be~~ 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).