



**House
Legislative
Analysis
Section**

House Office Building, 9 South
Lansing, Michigan 48909
Phone: 517/373-6466

INCREASE, INDEX MINIMUM WAGE

House Bill 4049

Sponsor: Rep. Jack Minore

**Committee: Employment Relations,
Training and Safety**

Complete to 2-1-01

A SUMMARY OF HOUSE BILL 4049 AS INTRODUCED 1-25-01

The bill would amend the Minimum Wage Law of 1964 (Public Act 154 of 1964) to increase the minimum wage over a three-year period and to adjust it annually to reflect the cumulative annual percentage change in the consumer price index beginning on January 1, 2003.

Graduated wage increase. The bill would increase the minimum hourly wage rate (currently, since 1997, set at \$5.15) to \$5.65 beginning September 1, 2001, and to \$6.15, beginning January 1, 2002.

Indexing the wage to inflation. Beginning on January 1, 2003, the minimum annual wage rate of \$6.15 would be adjusted annually to reflect the cumulative annual percentage change in the consumer price index. The bill would define "consumer price index" to mean "the most comprehensive index of consumer prices available for this state from the Bureau of Labor Statistics of the United State Department of Labor."

Employees who receive "tips." Currently, the minimum hourly wage rate of employees who receive "gratuities" ("tips") in the course of their work is \$2.65 per hour. The bill would strike the current reference to "\$2.65 per hour," and replace it with the requirement that such employees receive one-half of the minimum hourly wage established under the bill.

MCL 408.384 and 405.387a

House Bill 4049 (2-1-01)

Analyst: S. Ekstrom

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.