

Legislative Analysis



MINIMUM WAGE FOR TIPPED EMPLOYEES

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House Bill 4452

Sponsor: Rep. Marsha Cheeks

Committee: Labor

Complete to 6-8-07

A SUMMARY OF HOUSE BILL 4452 AS INTRODUCED 3-13-07

The bill would amend the Minimum Wage Law to increase the minimum wage for tipped employees (employees receiving gratuities in the course of employment) in three stages. As introduced, the bill would raise the current \$2.65 per hour minimum wage to:

- \$4.45 per hour as of the effective date of the bill (unspecified).
- \$4.65 per hour on July 1, 2007.
- \$4.90 per hour on July 1, 2008.

[The basic state minimum wage was increased by Public Act 81 of 2006 from \$5.15 to \$6.95 as of October 1, 2006; to \$7.15 as of July 1, 2007; and to \$7.40 as of July 1, 2008.]

The bill also would require that the basic minimum wage and the minimum wage for tipped employees be adjusted annually to reflect the cumulative annual percentage change in the consumer price index.

MCL 408.387a

FISCAL IMPACT:

The fiscal impact of this bill depends on the number of tipped employees and the potential change in the employment level of tipped employees.

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Fiscal Analyst: Rebecca Ross

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