

HOUSE BILL NO. 5734

May 16, 2024, Introduced by Reps. Paiz, Byrnes, Scott, Edwards, Dievendorf, Neeley, O'Neal, Tsernoglou, Price, Hope, Wilson, Hood, McKinney, Brabec and Farhat and referred to the Committee on Labor.

A bill to amend 1978 PA 390, entitled

"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,"

by amending sections 1 and 5 (MCL 408.471 and 408.475), section 1 as amended by 2016 PA 18.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Department" means the department of ~~licensing and~~
3 ~~regulatory affairs.~~ **labor and economic opportunity.**

4 (b) "Employ" means to engage or permit to work.

5 (c) "Employee" means an individual employed by an employer.

6 (d) "Employer" means an individual, sole proprietorship,
7 partnership, association, or corporation, public or private; this
8 state or an agency of this state; a city, county, village,
9 township, school district, or intermediate school district; an
10 institution of higher education; or an individual acting directly
11 or indirectly in the interest of an employer who employs 1 or more
12 individuals. Except as specifically provided in the franchise
13 agreement, as between a franchisee and franchisor, the franchisee
14 is considered the sole employer of workers for whom the franchisee
15 provides a benefit plan or pays wages.

16 (e) "Fringe benefits" means compensation due an employee
17 ~~pursuant to~~ **under** a written contract or written policy for ~~holiday,~~
18 **any of the following:**

19 (i) **Holidays.** ~~time~~

20 (ii) **Time** off for sickness or injury. ~~, time off for personal~~
21 ~~reasons or vacation, bonuses, authorized~~

22 (iii) **Paid vacation leave.**

23 (iv) **Bonuses.**

24 (v) **Authorized** expenses incurred during the course of
25 employment. ~~, and contributions~~

26 (vi) **Contributions** made on behalf of an employee.

27 (f) "Furlough" means a **separation from employment that is the**
28 **result of a full or partial shutdown of an employer's operations if**
29 **the shutdown meets 1 of the following conditions:**

(i) The employer does not intend for the shutdown to last for more than 30 days and the shutdown does not last for more than 30 days.

(ii) The shutdown is the result of a state of emergency declared by the President of the United States or the governor of this state.

(g) "Paid time off" or "paid vacation leave" means time off from work that an employee can use for any reason and for which the employer pays the employee earnings in accordance with a policy of the employer or an agreement between the employer and the employee.

(h) ~~(f)~~—"Wages" means all earnings of an employee whether determined on the basis of time, task, piece, commission, or other method of calculation for labor or services. ~~except those defined as Wages does not include~~ fringe benefits. ~~under subdivision (e) above.~~

Sec. 5. (1) ~~An~~ **Subject to subsections (4) and (5),** an employer shall pay to an employee ~~who voluntarily leaving~~ **leaves** employment all wages earned and due, as soon as the amount can, with due diligence, be determined. However, an employer shall pay all wages earned and due ~~to~~ an employee engaged in any phase of the hand harvesting of crops as soon as the amount can, with due diligence, be determined, but, in any event, not later than 3 days after the employee's voluntary termination of employment.

(2) ~~An~~ **Subject to subsections (4) and (5),** an employer shall immediately pay to an employee who has been discharged from employment all wages earned and due, as soon as the amount can, with due diligence, be determined.

(3) ~~This section shall not apply to~~ **If** an employee working under contract ~~who either~~ voluntary leaves employment or is

1 discharged from employment ~~if~~**and** the amount due **under subsection**
2 **(1) or (2)** cannot be determined until the termination of the
3 contract, ~~. In such cases,~~ the employer shall pay to the employee,
4 ~~under the provisions of~~**in accordance with** section 2, all wages
5 earned by the employee as nearly as they can be estimated. ~~Final~~
6 **The employer shall make the final** payment ~~shall be made~~ in full at
7 the termination of the contract.

8 (4) Except as otherwise provided in subsection (5), if an
9 employee is separated from employment with an employer, the
10 employer shall pay to the employee all of the paid vacation leave
11 that the employee accrued but did not use.

12 (5) An employer is not required to pay to an employee paid
13 vacation leave under subsection (4) if either of the following
14 conditions is met:

15 (a) The employee's separation from employment is a furlough.

16 (b) The employer provided an unlimited amount of paid vacation
17 leave to the employee.

18 Enacting section 1. This amendatory act takes effect January
19 1, 2025.